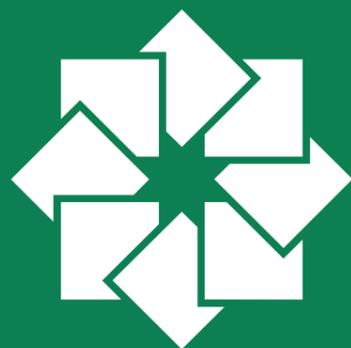


ANNUAL MANAGEMENT REPORT

JSC PASHA BANK GEORGIA

Within the scope of PILLAR 3 Reporting



PASHA
Bank

2025

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Management Statement

The Board of Directors of JSC PASHA Bank Georgia confirms the accuracy and completeness of all data and information presented in the Annual Management Report. The report has been prepared in full compliance with the internal control processes agreed with the Supervisory Board.

This report complies with the requirements of Order No. 92/04 of the Governor of the National Bank of Georgia dated 22 June 2017, on the approval of the Regulation on Information Disclosure by Commercial Banks under Pillar 3, as well as with other applicable regulations and requirements established by the National Bank of Georgia.



RAMIL IMAMOV

Chairman of the Board of Directors
CEO

FOREWORD BY CHIEF EXECUTIVE OFFICER

Within the framework of our 2024–2026 strategic cycle, PASHA Bank Georgia continues to pursue consistent and profitable growth. As in previous years, our objective remains to become the preferred and trusted financial partner for business clients by delivering tailored, high-quality financial services, while contributing to the sustainable development of Georgia's economy.

The year 2025 brought both challenges and high expectations. Despite a competitive environment shaped by large and well-established market players, the Bank remained focused on its strategic priorities and further strengthened its financial position. During the year, we achieved a significant improvement in customer satisfaction and reinforced our commitment to a truly customer-centric approach.

The Bank also continued to actively engage with the business community through a number of initiatives and events involving our clients. One of the most notable was the Azerbaijan–Georgia Business Forum, held in November in partnership with PASHA Holding. The forum aimed to foster bilateral trade relations, encourage strategic investments, and identify new opportunities for cooperation across key sectors of both economies.

In September 2025, the Bank also supported the 13th Caspian International Energy Forum, which focused on the development of energy projects, the advancement of sustainable energy initiatives, and strategies to attract investment into the sector. The event brought together business representatives from across the region, further demonstrating our commitment to regional economic integration and long-term sustainable growth.

From a financial perspective, 2025 was a successful year for PASHA Bank Georgia. The Bank closed the year with a net profit of GEL 8.6 million. Total assets reached GEL 664 million, including a loan portfolio of GEL 423 million, reflecting a 20% year-on-year increase, and a corporate bond portfolio of GEL 110 million, which grew by 35% year-on-year. These results demonstrate the resilience of our business model and the effectiveness of our strategic focus.

We continue our cooperation with S&P Global, which in 2025 reaffirmed the Bank's long-term and short-term credit ratings at B/B with a stable outlook — an important milestone first achieved in 2024. This confirmation once again reflects the Bank's financial stability and prudent risk management practices. We highly value this partnership and look forward to continuing our cooperation with S&P Global in the years ahead.

I would also like to emphasize that the Bank's achievements are the direct result of the commitment, teamwork, and continuous professional development demonstrated by our employees. Throughout the year, our teams actively participated in a range of training initiatives and leadership development programs designed to strengthen professional competencies, enhance management practices, and encourage innovative thinking in addressing new challenges.

I am confident that by maintaining the same focus, unity, and determination, we will continue building on this momentum and make the coming year even more successful.

Above all, we remain firmly committed to our promise:

We Build Partnerships that Go Beyond Banking.

FINANCIAL HIGHLIGHTS

Below are some financial highlights of JSC PASHA Bank Georgia for the year ended 31 December 2025 with comparative figures:



Profit and Loss GEL'000

2025

2024

	2025	2024
Net interest income after impairment losses	26,115	23,668
Non-interest Income	15,681	14,890
Non-interest expenses	(31,360)	(34,686)
Income tax benefit/(expense)	(1,848)	4,421
Net profit for year	8,588	8,293
Other comprehensive income	-	-
Total comprehensive income for the year	8,588	8,293



Balance Sheet GEL'000

2025

2024

	2025	2024
Cash and cash equivalents and Amounts due from credit institutions	105,377	242,004
Loans to customers	423,046	351,500
Investments in securities	109,708	81,069
Other assets	26,289	32,355
Total assets	664,420	706,928
Amounts due to credit institutions	110,556	148,701
Amounts due to customers	361,209	394,286
Other liabilities	49,896	43,333
Total liabilities	521,661	586,320
Equity	142,759	120,608
Total equity and liabilities	664,420	706,928

Over the last few years, the Georgian Government has implemented a number of measures and reforms aimed at improving the overall investment climate in the country, including reforms necessary to strengthen the banking, judicial, tax, and regulatory systems. The existing trend toward improving the business environment is expected to persist. The future stability of the Georgian economy largely depends on the continuation of these reforms and developments, as well as on the effectiveness of economic, financial, and monetary measures undertaken by the Government. However, the Georgian economy remains vulnerable to global market downturns and economic slowdowns.

According to preliminary estimates published by the National Statistics Office of Georgia, as of December 2025 GDP growth amounted to 7.2%, resulting in an average growth rate of 7.5% compared to the previous year. Major contributors to this growth were manufacturing, information and communication, transportation and storage, and accommodation and food service activities, while a decline was observed in the construction sector. Based on the preliminary findings of the IMF staff mission to Georgia, real GDP growth for 2025 is projected at 7.2%.

In Georgia, inflation remains slightly above the National Bank of Georgia's target of 3 percent. Inflation close to the target has largely been ensured by the monetary policy implemented by the National Bank of Georgia. According to the updated forecast of the National Bank of Georgia, other things being equal, the overall price level is expected to remain close to the 3% target over the medium term.

Management maintains strong liquidity positions, supported by measures introduced by the National Bank of Georgia to strengthen the resilience of the banking sector. The Bank is actively working to reduce non-performing loans (NPLs) to sustainable levels through timely restructuring measures, continued support from the shareholder, and effective collection efforts. The Bank also continues to assess the impact of changing microeconomic and macroeconomic conditions on its activities, financial position, and financial results.



ORGANIZATIONAL DEVELOPMENT

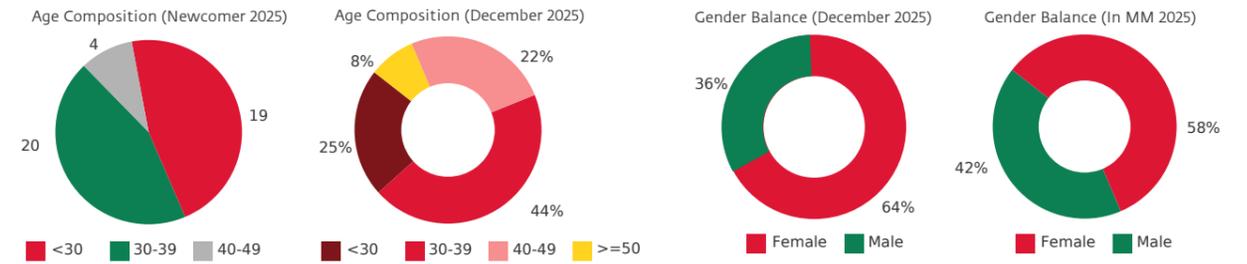
Our People

At JSC PASHA Bank Georgia, we are committed to fostering a high-performance workplace culture that empowers our people and supports sustainable business success. Our employees remain a key driver of value creation and a differentiator in the financial services sector. We continue to invest in professional development, encourage proactive engagement, promote open collaboration, and support a healthy work-life harmony.

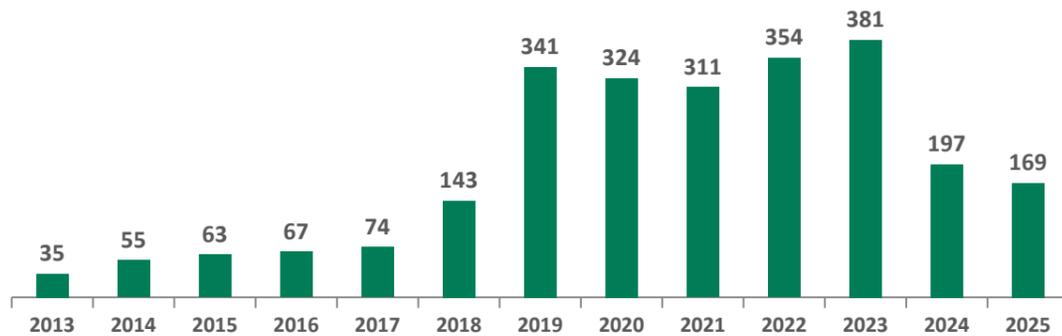
During the reporting period, the Bank continued its strategic transition toward a corporate-focused business model, strengthening the alignment between organisational capabilities and long-term business objectives. Correspondingly, the workforce structure evolved to support this direction, in line with all legal and regulatory requirements.

As the 2024-2026 strategic cycle progresses, organizational development remains a core priority for the Bank. The focus is on strengthening critical capabilities, deepening leadership capacity, and enhancing performance effectiveness, while fostering a workplace culture that attracts, develops, and retains high-quality talent aligned with the Bank's long-term strategic ambitions.

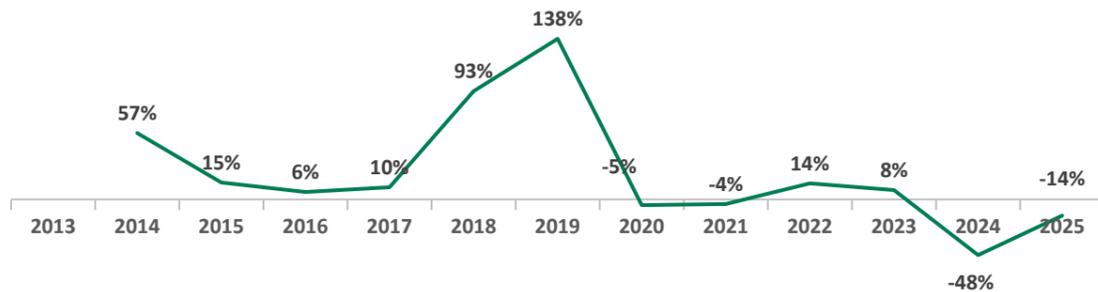
The evolution of employee numbers underscores the Bank's responsible approach to organizational alignment and its focus on building a sustainable and future-oriented workforce.



Number of Employees (2013-2025)



Change in number of employees in % (2013-2025)



At PASHA Bank Georgia, we believe sustainable success is driven by an environment where people feel valued, supported, and empowered to perform at their best. Through competitive compensation, purposeful benefits, and a culture anchored in ownership, teamwork, and result orientation, we enable our people to take accountability, collaborate effectively, and deliver impactful outcomes.

Our vision is to position JSC PASHA Bank Georgia as an employer of choice for ambitious professionals across different career stages. We strive to create an environment where both emerging and experienced talent can excel, contribute meaningfully, and grow alongside the Bank. Through an inclusive and engaging workplace culture, we support our employees in achieving professional fulfillment while maintaining personal well-being - growing and succeeding together as one team.

LEARNING AND DEVELOPMENT

At JSC PASHA Bank Georgia, learning and development are a core pillar of our Employee Value Proposition - "We grow together." In 2025, we continued to invest in our people, recognizing that sustainable performance and long-term success are enabled by strong capabilities and effective leadership.

Leadership development was one of the Bank's key strategic initiatives in 2025. We placed a strong emphasis on strengthening leadership capacity across the organization through a combination of local and international development programs, leadership assessments, and targeted trainings. These initiatives were designed to enhance managerial effectiveness, support future leadership pipelines, and equip leaders with the skills required to navigate a changing business environment.

In addition to leadership development, employees had access to a wide range of learning opportunities, including online, local, and international training programs, PASHA Holding-initiated development activities as well as full sponsorship of globally recognized professional certifications, professional literature, and language courses.

Through these investments, the Bank continued to promote a culture of continuous learning and shared responsibility for development, reinforcing the connection between individual growth and long-term organizational success.

Number of people trained (2025)	106
Total training hours of employees for (2025)	6,653
Average training hours per employee (2025)	62

EMPLOYEE ENGAGEMENT AND SATISFACTION

PASHA Bank Georgia places strong emphasis on understanding and enhancing employee engagement as a key driver of organizational performance and sustainability. To ensure a comprehensive and objective assessment, the Bank conducts Organizational Health Index (OHI) and Employee Engagement Surveys, alongside regular internal employee surveys and feedback initiatives. The major engagement and organizational surveys are delivered in partnership with reputable, globally recognized external vendors, ensuring methodological rigor, comparability, and reliability of results.

Beyond formal surveys, the Bank continuously monitors employee engagement and experience through multiple channels, including regular internal pulse checks, direct communication, and ongoing dialogue throughout the year. During the reporting period, particular emphasis was placed on strengthening internal communication, enhancing transparency, and promoting open and constructive exchange between employees.

During the year, survey findings and ongoing feedback were translated into concrete actions. The Bank established targeted focus groups and cross-functional discussions to explore key development areas in greater depth and co-create solutions. As a result, identified improvement areas were addressed through structured action plans, with initiatives successfully implemented to enhance engagement, collaboration, and overall employee experience.

The Bank values the voice of every employee and remains committed to continuous listening, meaningful dialogue, and responsive action as part of its long-term approach to building a highly engaged and inclusive workplace.



REMUNERATION OF EMPLOYEES

JSC PASHA Bank Georgia maintains a fair, consistent, and competitive remuneration system designed to attract, motivate, and retain qualified professionals, while supporting responsible performance and long-term organizational sustainability.

Our remuneration framework is fully aligned with its overall strategy, risk culture, business objectives, and applicable legal and regulatory requirements, as outlined in the Employee Remuneration Policy approved by the Supervisory Board. This framework ensures transparency, consistency, and sound governance in remuneration practices across the organization.

The remuneration structure for employees in control functions, such as risk management, compliance, and internal audit, is structured to ensure independence and is not linked to the financial results of the business areas they oversee.

The Bank's remuneration system comprises fixed and variable components, complemented by a comprehensive range of employee benefits. Fixed remuneration is paid on a monthly basis, while performance-based variable remuneration is awarded at defined intervals in line with established documentation.

Compensation practices are guided by the principle of equal pay for equal work, with remuneration levels determined based on objective criteria such as job grade, market benchmarking, role complexity, qualifications and expertise. The Bank applies a structured grading framework developed by the globally recognized Willis Towers Watson, ensuring consistency, transparency, and internal equity across the organization.

All employees of JSC PASHA Bank Georgia are eligible to participate in performance-based variable remuneration schemes. Variable pay is calculated in accordance with function-specific bonus methodologies. Individual performance is assessed at least annually in line with the approved Performance Management Methodology and Procedures, ensuring a clear and consistent link between contribution, performance, and reward.

In addition to monetary compensation, PASHA Bank Georgia offers a competitive and inclusive benefits package designed to support employee well-being, work-life harmony, and professional development. The Bank's Benefit Scheme includes health insurance for employees and their immediate family members, sports allowances, professional literature allowances, full coverage of international professional certifications and membership fees, study leave, fully covered maternity leave, and a wide range of learning and development opportunities.

Through this comprehensive approach to remuneration and benefits, the Bank promotes employee well-being, supports professional growth, and fosters a supportive and high-performance work environment that contributes to sustainable organizational success.

CORPORATE GOVERNANCE

JSC PASHA Bank Georgia is committed to high standards of corporate governance and recognizes the importance of corporate governance practices for enhancing the Bank's success and creating long-term shareholder value.

Corporate governance is defined as a set of structures and processes designed for the direction and supervision of the Bank. JSC PASHA Bank Georgia continually develops a comprehensive range of policies and systems to ensure that all internal and external processes are conducted with effective oversight and control. A sound system of corporate governance is an important contribution to the rule of law in Georgia and a crucial determinant of the role of the Bank in the modern economy and society.

CORPORATE SOCIAL RESPONSIBILITY

Since November 2024 PASHA Bank Georgia has been supporting the development and popularization of chess in Georgia. The goal is to improve chess education standards and methods, foster the development of young chess players, and promote chess-related initiatives aimed at enhancing critical thinking, strategic skills, and intellectual development among children and young people.

Furthermore, PASHA Bank Georgia has maintained a commitment to environmental sustainability for over two years through active recycling initiatives. The Bank provides employees with paper tableware and facilitates the collection of paper and plastic waste, obsolete electronic equipment, and batteries, which are then transferred to specialized recycling companies. Additionally, the Bank supports the financing of loans directed toward renewable energy projects and energy efficiency initiatives.

Georgia has been developing various environmental and climate-related policies in recent years and is committed to reviewing and updating existing environmental policies in the context of the Paris Agreement as well as the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs) (OECD, 2018).

With regard to this, the National Bank of Georgia has developed the Environmental, Social and Governance (ESG) framework and reporting practices in order to increase transparency on these issues.

On the Bank's website pashabank.ge, you may view the Environmental, Social and Governance Report prepared in accordance with the requirements of the National Bank of Georgia and Pillar 3.

COMMITMENT TO CORPORATE GOVERNANCE

JSC PASHA Bank Georgia constantly strives to improve its governance standards, to always be compliant with Georgian legislation, and to review and apply the Supervisory Board initiatives aimed at the implementation of the best corporate governance practices.

The Bank demonstrates its commitment to the best corporate governance standards by developing and furthering:

- Responsible, accountable, and value-based management;
- Effective oversight and executive bodies that act in the best interests of the Bank, and seek to enhance shareholder value sustainably;
- Appropriate information disclosure and transparency, as well as an effective system of risk management and internal control.

The Bank honours and recognizes all general principles of good corporate governance:

- **Fairness:** The Bank is committed to acting in a fair and ethical manner towards all shareholders and stakeholders, as it believes that ethical conduct underpins good corporate governance.
- **Accountability and Responsibility:** The Supervisory Board is accountable to the shareholders for how it carries out its responsibilities. Similarly, the Board of Directors is responsible for the exercise of powers delegated to them and is accountable to the Supervisory Board for their achievements and performance.
- **Transparency:** The Bank is committed to providing accurate and understandable information to shareholders and other stakeholders on all material matters regarding the Bank, including its financial condition, performance, and ownership and governance structure in a manner easily accessible to interested parties, without giving away commercially sensitive information.

The Corporate Governance Code for Commercial Banks was adopted and introduced on September 26, 2018, by Decree № 215/04 of the Governor of the National Bank of Georgia, the highest administrative body responsible for the supervision of the financial sector.

The purpose of the Corporate Governance Code for Commercial Banks has been described as the definition of the core corporate governance principles for commercial banks, the establishment of efficient and sound corporate governance that promotes successful functioning and stability of the financial and banking sectors. The requirements laid down in the Code are compulsory for commercial banks.

The Bank has adopted the guidelines of the Code and has complied with its specifications.

Code of Ethics

Members of the Supervisory Board and the Board of Directors, as well as all employees of the Bank, are expected to act in accordance with all applicable laws and regulations and to comply with ethical standards of business conduct as defined by the Bank's Code of Ethics.

The Bank's Code of Ethics is a set of principles that are actively applied in the Bank's day-to-day activities. The ethical principles of the Bank are based on the following values:

Integrity - At the core of our business stands an unshakeable commitment to integrity. For us, it means doing what is right. Every time. All the time. Even when no one sees us. At the most basic level, it is about respecting the laws and regulations of the country we operate in. It is about upholding our company's code of conduct even in the face of challenges. It means never sacrificing company interests for personal gains. It means being honest with ourselves, our colleagues, clients, and partners, and earning their trust.

Quality - The outside world will always judge us by the quality of the product or service we deliver. And the quality of our work is directly proportional to the dedication and professionalism of our staff. There is no way around it. That is why we always follow the standards we set. That is why we deliver what we promise - day in, day out - carefully balancing quality with efficiency for optimal results. That is why we try new things and strive to learn and improve - as individuals and as an organization.

Profitability - We generate profits for the benefit of our shareholders and the society at large. We can only achieve that by maintaining a competitive edge. Our staff understands that value comes not only in every dollar earned but also in every dollar saved. However, in the pursuit of short-term business goals we never lose sight of our longterm aspiration – to create and maintain a sustainable global business. And this aspiration drives every strategic decision we make.

Collaboration - When we work as one team across departments, business units, and countries we produce phenomenal results. When we collaborate with clients, partners, and suppliers we far exceed market expectations. The impact of these synergies far surpasses that of any individual contribution. Collaboration creates a sound working environment and leads to higher efficiency. It accelerates problem-solving and enables innovation. It nurtures trust and respect.

Entrepreneurship - The world around is constantly changing so we often have to operate in ambiguity. We seek new opportunities and are ready to take bold steps - do things and go places others do not dare to. We do not fear challenges but view them as opportunities to grow. We are unafraid to take on a personal responsibility for going the extra mile or doing something new. Our staff treats the company with care, passion, and prudence - just like they would treat their own business.

The Code of Ethics sets the following requirements:

- Maintenance of professional reputation.
- The highest standards for honest and ethical conduct, including proper and ethical procedures for dealing with conflicts of interest between personal and professional relationships.
- Full, fair, accurate, timely, and understandable disclosure in reports and documents that JSC PASHA Bank Georgia files with, or submits to, governmental and regulatory agencies, and in other public communications of the Bank.
- Compliance with applicable governmental laws, rules, and regulations.
- Prompt internal reporting of any illegal behaviour or violations of the Code.
- Provision of methods to communicate violations of the code.

Open Door Policy

The Code of Ethics incorporates an open-door policy, which gives each employee of the Bank an ample opportunity to ask questions and seek advice if they are not confident whether a conduct violates the letter and spirit of the Code of Ethics, and to raise concerns if they believe that our Code of Ethics has been violated.

JSC PASHA Bank Georgia strives to reinforce internal, as well as external stakeholders' confidence in the Bank's corporate governance and ethical standards by ensuring that unethical and illegal conduct of any internal stakeholder will not be left unattended.

Any member of the governance structure with any material concern about the overall corporate governance of the Bank can report to the Supervisory Board.

The Code of Ethics is developed in line with the best practices of corporate governance and is adopted by the Supervisory Board.

The document of the Code of Ethics can be viewed on PASHA Bank's website at pashabank.ge

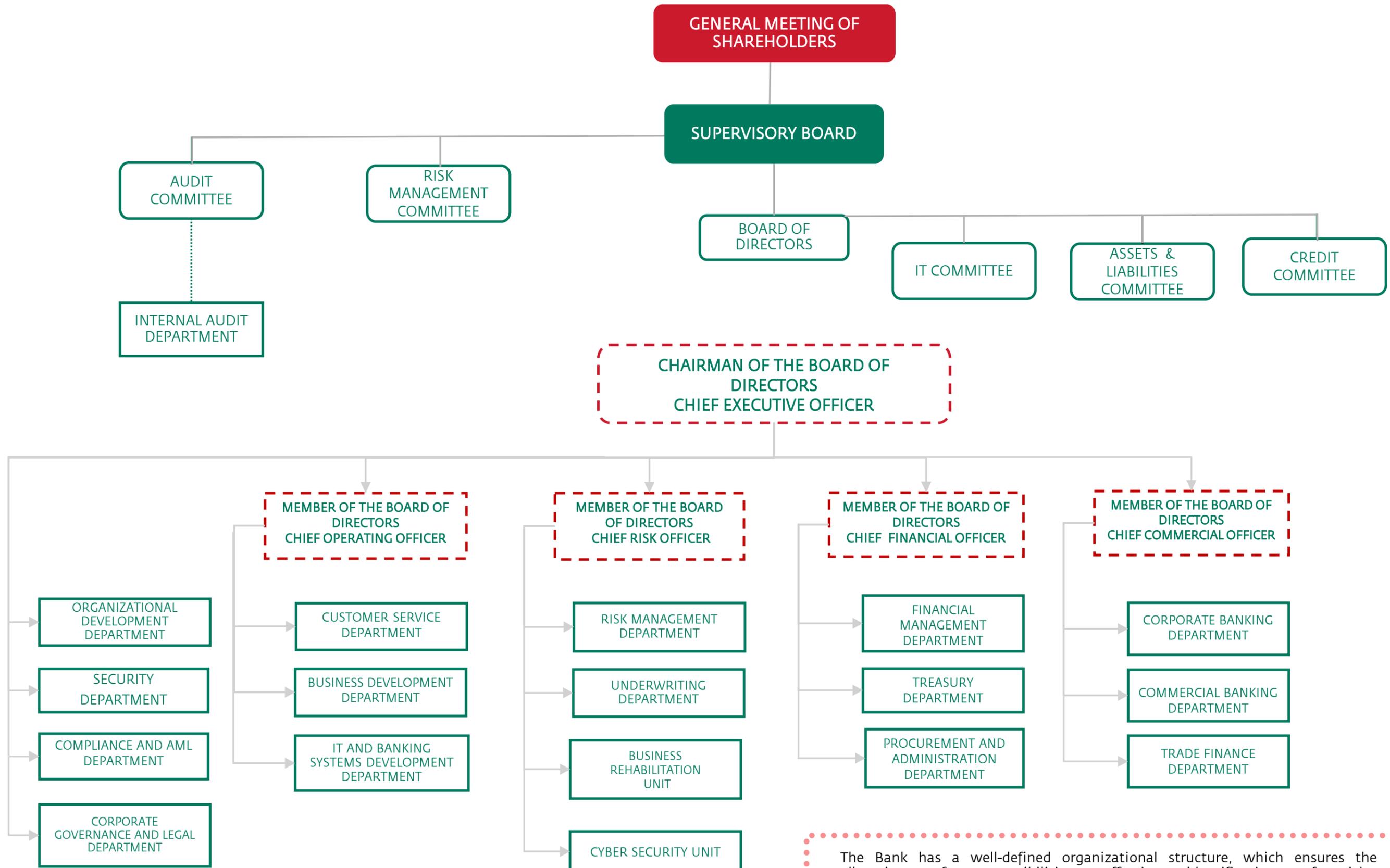
Governance Structure

The governance structure of the JSC PASHA Bank Georgia adequately corresponds to its business nature, scale, and complexity. The organizational and corporate structure of the Bank eliminates conflicts of interest and ensures that no one has unfettered decision-making rights.

JSC PASHA Bank Georgia has a two-tier corporate governance structure - a Supervisory Board entirely composed of non-executive directors and responsible for the supervision of the Bank, and a Board of Directors (management board) entirely composed of executive directors and responsible for the day-to-day management of the Bank.

On July 10, 2025, the Supervisory Board approved the updated Organizational Structure, which included the merger of the Corporate Governance Unit and the Legal Department into a single department reporting directly to the CEO, the transfer of the IT and Banking Systems Development Department under the COO's supervision, the transfer of the Cybersecurity Unit under the CRO's supervision, the removal of the Chief Information Officer (CIO) position from the Organizational Structure, and the transfer of the litigation function to the Business Rehabilitation Unit.

The Organisational Structure Chart may be viewed on the page: **10**



The Bank has a well-defined organizational structure, which ensures the allocation of responsibilities, effective identification of risks, management/monitoring and reporting procedures, adequate internal control mechanisms, including robust administrative and accounting procedures, effective IT systems and controls for risk management, and remuneration policies/procedures.

MEMBERS OF THE SUPERVISORY BOARD



Rovshan Allahverdiyev

Chairman of PASHA Bank Supervisory Board

Rovshan Allahverdiyev is the Chairman of the Supervisory Board effective September 12, 2023.

Experience

Mr. Allahverdiyev began his career as a Leading Specialist at Khayal Cooperative Bank in 1992. In the same year, he served as a Leading Specialist and Chief Accountant at Garagay- abank Commercial Bank.

He joined Arkobank JSB in 1996 as a Deputy Chief Accountant and served as a Director of Finance and Deputy CEO, respectively.

Mr. Allahverdiyev joined Zamin Commercial Bank as a Deputy Director of Credit Department in 2002 and later served as Finance-Credit Department Director and Deputy CEO at Caucasus Development Bank in 2002, respectively.

He worked as a Branch Manager at Texnikabank between 2003-2006, as a Branch Manager at Kapital Bank between 2006-2007, and as a Deputy CEO at PASHA Bank OJSC between 2007-2013.

He has been serving as the CEO and the Chairman of the Executive Committee at Kapital Bank OJSC from June 11, 2013, till May 2023.

Mr. Allahverdiyev was appointed as the Deputy CEO and Director of Corporate Banking and Insurance at PASHA Holding LLC on May 05, 2023.

He serves as a member and chairman of the Supervisory Board of companies within the PASHA group.

Education

Mr. Rovshan Allahverdiyev graduated from the Azerbaijan State University of Economics, Department of Economics and Sociology of Labor.



George Glonti

Senior Independent Member of the Supervisory Board

George Glonti is an Independent Member of the Supervisory Board effective from December 31, 2018. He is also the Chairman of the Audit Committee and a member of the Risk Management Committee.

Experience

Having started his banking career in 1992 as an Assistant in International Operations and Documentary Transactions Department at Iberia Bank, George Glonti became the Head of the same department in 1994 and held this position until 1995. Between 1995 and 1996 he continued his career as the Financial Director of TBC Group and Alma TBC. At the time, he also served as a member of the Board of Directors and the Credit Committee of TBC Bank. From 1996 to 1999, he held the position of the Head of International Division in TbilUniversalBank.

Between years 1999-2003 George Glonti was the Managing Partner, CEO, and Shareholder of the UBC International LTD (Audit & Consulting), a company associated with PwC. In 2003-2005 he was Deputy CEO of People's Bank of Georgia. In 2005-2008 became Vice President of the National Bank of Georgia and the Member of the NBG Council. From 2008 to 2009 he was a CEO of the People's Bank of Georgia (presently "Liberty"). In 2009 he became CEO of Kor Standard Bank (presently "Tera Bank") and held the position until 2013. In 2013-2014 George Glonti was the Managing Partner and CEO of the Phoenix Capital. From 2014 continued his career as CEO of the Super TV cable television. Since 2014, until the present, he has been holding the position of the Non-Executive Vice President of GFTC (SWIFT Service Bureau).

George Glonti has more than thirty-one years of experience in banking and business management.

Education

George Glonti completed his BA and MBA in Finance and Economics, with a specialization in Banking, at Tbilisi State University, Georgia.



Ebru Ogan Knottnerus

Independent Member of the Supervisory Board

Ebru Ogan Knottnerus is an Independent Member of the Supervisory Board effective December 31, 2018. She is also the Chairperson of the Risk Management Committee and a member of the Audit Committee.

Experience

Ebru Ogan Knottnerus started her banking career in 1991 in the Internal Audit Department of PAMUKBANK. Between the years of 1993 and 1997, she worked as the Financial Control and Budget Planning Manager for FINANSBANK. She held the Manager's position in Foreign Investments Department for DEMIRBANK between 1997 and 1999. In 1999, Ebru Ogan Knottnerus joined OTTOMAN Bank and worked as the Head of Risk Management and Internal Control Departments until 2001. She continued her career at the BBVA Group - GARANTI Bank AŞ as the Head of Subsidiaries' Risk Management Department between 2001 and 2003, and from 2016 to 2018 she held the position of the Head of Risk Management.

In 2018, Ebru Ogan Knottnerus joined PASHA Investment Bank Turkey as an Independent Board member. Ebru Ogan Knottnerus has more than thirty two years of experience in banking and business management.

Education

Ebru Ogan Knottnerus earned her bachelor's degree in business administration at the Middle East Technical University (METU) in Ankara, Turkey. She also completed various executive education programs, such as the Authentic Leadership Development Programme at Harvard Business School, the Strategic Development Programme at London Business School, and the High Impact Leadership Programme at Columbia University, USA.



Shahin Mammadov

Member of the Supervisory Board

Shahin Mammadov is a Member of the Supervisory Board effective since April 30, 2018. He is also a Member of the Audit Committee.

Experience

Mr. Mammadov started his career as an Accountant in 2003 and was later promoted to Deputy Chief Accountant at Yapi Kredi Bank Azerbaijan (former Kocbank Azerbaijan JSB). He joined Deloitte & Touche in 2005 as an Associate Auditor and was subsequently promoted to the position of Audit Manager.

In 2009, Mr. Mammadov was assigned to the position of the Director of the Financial Management Department at OJSC PASHA Bank and in 2011 he became the Chief Financial Officer and a member of the Executive Board. In 2013, he joined the Board of Directors of JSC PASHA Bank Georgia supervising the business development function. In July 2014, Mr. Mammadov was appointed the CEO and the Chairman of the Board of Directors at JSC PASHA Bank Georgia. Since March 2015, Shahin Mammadov has been a member of the Supervisory Board at PASHA Yatırım Bankası A.Ş. Since January 2018 he has been serving as the Business Support Director and Deputy CEO at LLC PASHA Holding. On March 1, 2018, Shahin Mammadov became a member of the Supervisory Board at OJSC PASHA Bank. Shahin Mammadov has more than twenty of experience in banking and business management.

Education

Shahin Mammadov graduated from the Azerbaijan State Economic University and received a bachelor's degree in accounting and Audit in 2002. In 2004, he was awarded a master's degree from the same university in Accounting and Audit. In 2010, Mr. Mammadov received his Ph.D. in Economics from the Academy of Sciences of the Republic of Azerbaijan.

He completed several education programs in a number of top business schools as part of the High Potential Leadership Program organized by PASHA Holding in 2013. In 2012, Shahin Mammadov enrolled in the Program for Leadership Development (Executive Education Program) at Harvard Business School and completed Modules 1 to 4 in 2013. In 2017, he completed Module 5 of the same Program. Mr. Mammadov obtained the status of an Alumnus from the Harvard Business School in July 2017. He has been a member of the Association of Chartered Certified Accountants (ACCA) since 2014.



Kamala Nuriyeva

Member of the Supervisory Board

Ms. Nuriyeva joined PASHA Bank Georgia as a Supervisory Board and Risk Management Committee Member effective September 12, 2023

Experience

In 2003, she joined the Agricultural Rural Investment Fund, established under the TACIS program for agricultural industry development in Azerbaijan, serving as a Loan Officer. There, she was responsible for attracting customers, as well as loan origination and management. That same year, she was recruited by Unibank OJSC to work as a Financial and Treasury Control Officer, where she was responsible for currency and market risk management. During 2004-2005, she served McDermott Caspian Contractors Inc. as a Cost Control Officer for the fabrication and installation of Central Azeri Offshore Platforms. In 2005, she joined the Bank of Baku OJSC as a Deputy Chief Accountant responsible for accounting activities and management reporting.

She joined PASHA Bank in 2007 as an Internal Audit Manager and was promoted to Head of the Risk Management Department in 2011. In 2012, she moved to PASHA Holding as an Audit and Monitoring Manager. In 2013, she was appointed as the Director of Group Risk Management at PASHA Holding. She has continued her professional activities as the Chief Risk and Audit Executive in the Shareholders' Office since May 2021.

She has vast experience working as a member of the Supervisory Board, Audit Committee, Risk Management Committee, and Investment Committee of companies within the PASHA group.

Education

Ms. Kamala Nuriyeva obtained her Bachelor's degree in Banking Management from Western University in 1998, and her Master's degree in Finance from Azerbaijan State Economic University in 2003.

SHAREHOLDER STRUCTURE AND SHARE CAPITAL

JSC PASHA Bank Georgia (the "Bank") was formed on 17 December 2012 as a joint stock company under the laws of Georgia. The Bank operates under a general banking license issued by the National Bank of Georgia (the "NBG") on 17 January 2013 (Identification code: 404433671).

The bank accepts deposits and issues loans, manages money transfers and payments in the territory of Georgia and abroad, offers currency exchange and provides other bank services to commercial costumers. Since 2017, the Bank is member of the deposit insurance system. This system operates under the Law of Georgia on Deposit Insurance System and insures all types of deposits of resident and non-resident individuals and legal entities.

The allocated capital of the Bank is divided into 136 800 000 (one hundred thirty-six million eight hundred thousand) ordinary shares. The nominal value of one ordinary share is 1.00 (one) GEL. Each ordinary share at the General Meeting of Shareholders of the Bank entitles its holder to one vote. As at 31 December 2025, 85.0588% of shares is owned by OJSC PASHA Bank and 14.9412% of shares is owned by PASHA Holding LLC. As at 31 December 2025, the Bank is ultimately owned by Mrs. Leyla Aliyeva (35.21%), Mrs. Arzu Aliyeva (35.21%) and Mr. Arif Pashayev (18.99%) and Mr. Jamal Pashayev (10.59%), who exercise joint control over the Bank.

Information on the type of income received from JSC PASHA Bank Georgia by the shareholder or beneficiary owner is provided below:

In GEL thousands'	Shareholders	Entities Under Common Control
	2025	
Fee and commissions	2	4
Interest on amounts borrowed from credit institutions	661	38
Interest on amounts borrowed from non-credit institutions	2,078	255
Interest on subordinated debt	709	334

Group Structure is as follows:



Ultimate Beneficial Owners	%
Leyla Aliyeva	35.21%
Arzu Aliyeva	35.21%
Arif Pashayev	18.99%
Jamal Pashayev	10.59%

GENERAL MEETING OF SHAREHOLDERS

The supreme governing body of the Bank is the General Meeting of Shareholders. The Bank holds Annual General Meetings within two months following the signing of the annual audited financial statements. Other general meetings are summoned if the interests of the Bank require so or if it is required by the Bank's Charter. General Meetings are summoned by the Board of Directors, the Supervisory Board, or the shareholder(s). The General Meeting is held on the territory of Georgia or abroad, at a time and place that are most convenient for the shareholders. The General Meeting is called within the term of twenty calendar days after the Directors have sent a notification to the shareholders. Nothing impedes the shareholders from voting from abroad or through the power of attorney issued to another person. The Bank ensures that all valid proxy appointments received for the General Meetings are properly recorded. The invitation to the General Meeting specifies the information regarding the date, time, venue, agenda, the project of the resolution, and proposals, if any, regarding amendments to the Charter.

The voting results and other relevant materials are distributed to the shareholders and the ultimate shareholders.

The Supervisory Board ensures that the Supervisory Board members and all Directors are made aware of their shareholders' views, issues, and concerns.

ISSUES REQUIRING APPROVAL OF THE GENERAL MEETING OF SHAREHOLDERS

- a) Approval and amendment of the Bank's Charter;
- b) Approval of the Bank's annual audited financial statements;
- c) Reorganization of the Bank, which includes mergers, divisions, transformations (change of organizational-legal form), and liquidation of the Bank, full or partial cancellation of pre-emptive rights during an increase in the share capital of the Bank;
- d) Issuance of new shares, sale of shares by the existing shareholder(s), or other securities convertible into shares;
- e) Accepting or rejecting proposals of the Supervisory Board or the Board of Directors concerning the utilization (including distribution) of profit, or making decisions concerning the utilization of net profit, if the said bodies fail to agree on a proposal;
- f) Approval of reports by the Board of Directors and the Supervisory Board;
- g) Election and dismissal of members of the Supervisory Board, determining the question of member remuneration, and conclusion of member contracts;
- h) Approval of the first composition of the Board of Directors of the Bank;
- i) Approval of the first composition of the Audit Committee of the Bank;
- j) Making decisions on the participation in court proceedings against the Board of Directors and the Supervisory Board members, including the appointment of a representative for such action;
- k) Adopting resolutions on the issuance and sale of shares and other securities under this Charter and Georgian legislation;
- l) Making decisions on the acquisition, sale, transfer, exchange (or other transactions to similar effect), or encumbrance of the Bank's properties the value of which is more than 25% of the book value of the Bank;
- m) Deciding on other matters according to effective Georgian legislation.

SHAREHOLDER RIGHTS

The rights and responsibilities of the shareholders are mutually determined by the Charter of JSC PASHA Bank Georgia, the Law of Georgia on Entrepreneurs (as amended periodically), the Law of Georgia on Activities of Commercial Banks (as amended periodically) and all other relevant laws and regulations, including regulations issued by the National Bank of Georgia.

The Charter is available on PASHA Bank's website at pashabank.ge

According to Article 4, Section 4.2 of the Bank Charter, shareholders have the right to:

- a) Attend or be represented at the General Meeting and take part in the voting process (holders of common shares only);
- b) Be elected to the Supervisory Board;
- c) Participate in the distribution of profit and receive pro rata share of the dividends;
- d) Dispose of their shares in accordance with Georgian legislation and the Bank Charter;
- e) In case of the Bank's liquidation, receive a pro rata share of the assets remaining after the payment of the creditors' claims;
- f) Have access to information concerning the economic activities of the Bank;
- g) Appeal to the Directors of the Bank to specify issues in the General Meeting agenda, request an Extraordinary General Meeting, or add issues for consideration to the agenda of an already appointed General Meeting;
- h) Request a special inspection of the Bank's economic activities and annual balance sheets if they have a reasonable doubt that material irregularities have taken place;
- i) Preemptively subscribe for newly issued or existing shares of the Bank on a pro-rata basis in accordance with the terms and conditions of the Bank Charter;
- j) Appeal to a local court or, by agreement of the parties, seek private arbitration for the solution of a conflict between themselves and the Bank;
- k) Other rights as stipulated by Georgian legislation and the Bank Charter.

THE SUPERVISORY BOARD

The Supervisory Board is responsible for the general oversight of the Bank and of the Board of Directors. Its members are elected by the shareholders. The Supervisory Board is led by a Chairman, it advises the Board of Directors, and is involved in decision-making on all fundamental matters affecting the Bank. It is the key decision-making body of the Bank, responsible to the shareholders for creating and delivering sustainable shareholder value through providing entrepreneurial leadership and direction to the Bank. It determines the Bank's strategic objectives and policies, provides the overall strategic direction within a framework of rewards, incentives and controls, demonstrates ethical leadership, and promotes a collective vision of the Bank's purpose, values, culture, and behaviors.

Members of the Supervisory Board act in a way that they consider, in good faith, will promote the success of the Bank for the benefit of the shareholders as a whole and, while doing so, take into consideration the interests of other stakeholders as well.

According to Article 7, Section 7.10 of the Bank Charter, the following activities shall be performed only by the Supervisory Board:

- Strategic supervision and control of the Bank;
- Review and approval of corporate strategy and strategic objectives;
- Review and approval of annual budget and business plan;
- Initiation of new banking/commercial activities and termination or suspension of existing activities;
- Establishment and liquidation of new enterprises and branches;
- Acquisition and disposal of shares in other companies;
- Approval of the organizational structure;
- Approval of the Code of Ethics and whistleblowing procedures;
- Adoption of resolutions for implementing the General Meeting decision to admit the Bank's shares and other securities to the stock market;

- Submission of proposals for profit distribution to the General Meeting of shareholders;
- Redemption of shares by the Bank as mandated under Georgian legislation;
- Strategic supervision of risk management activities;
- Approval of the risk appetite statement, conduction of annual reviews;
- Approval of the business continuity plan;
- Authorization of (possible) conflicts of interest and related party transactions within the limits established by the Bank;
- Approval of policies, standards, and procedures in respect to conflicts of interest and related party transactions, and amendment of the Bank's statute, framework, and policy-type documents;
- Approval of structure, size, and composition of the Board of Directors, including appointment and dismissal of its members;
- Determination of rights and obligations of members of the Board of Directors, monitoring and supervision of their activities, request of reports from the Board of Directors;
- Conclusion of labor agreements and determination of remuneration packages for members of the Board of Directors;
- Approval of regulatory framework for determining bonuses and/or additional benefits for employees, including members of the Board of Directors;
- Approval of structure, size, and composition of the Supervisory Board committees, including appointment and removal of the Supervisory Board committee members and review of reports by the Supervisory Board committees;
- Election of external auditors;
- Appointment and dismissal of trade representatives (procurators);
- Appointment and dismissal of the Corporate Secretary;
- Approval of transactions including but not limited to attraction of borrowings, granting lending and trade finance products, approval of loan restructuring, loan write-off, approval of acquisition and disposal of fixed assets and intangible assets, administrative expenses, cash limits, Implementation of equity investments in public and private companies in case the transaction is above the decision-making and signatory authority limits of the Board of Directors;
- Approval of decision-making and authority limits of the Board of Directors;
- Securing of borrowings or any other liabilities of the Bank or any third party, if they fall outside the scope of the regular economic activities of the Bank;
- Approval of issuance of bonds;
- Determination and approval of terms and conditions to be used with regard to credit recourses and deposits to the Bank's employees;
- Convention of the General Meeting, if deemed necessary for the interests of the Bank;
- Supervision and representation of the Bank in case of conflict between members of the Board of Directors;
- Based on the decision of the General Meeting, procession of a legal dispute against members of the Board of Directors on behalf of the Bank, submission of a claim against members of the Board of Directors without the decision of the General Meeting if the issue is related to the responsibility of members of the Board of Directors;
- Supervision of interventions in accordance with the results of examinations carried out by External and Internal Audits, as well as the National Bank of Georgia;
- Resolution of issues that are beyond the scope of the Board of Directors' authority;
- Performance of any other duties as required by the General Meeting.

The Supervisory Board members are collectively responsible for the Bank's interests and have a fiduciary duty towards the Bank. The Chairperson is appointed from the members of the Supervisory Board. He is responsible for its effective overall functioning, including maintenance of a relationship of trust and collegiality with the Supervisory Board members, as well as facilitation of coordination and cooperation between the Supervisory Board and the management.

DEFINITION OF AN INDEPENDENT SUPERVISORY BOARD MEMBER

All members of the Bank's Supervisory Board and the Supervisory Board committees should act independently when making decisions. It should not be permitted to take into consideration the private interests of a shareholder, customer, contractor, investor, or other related party when making business decisions. Members act independently if they effectively exercise their best judgment for the exclusive benefit of the Bank, judgment that is not clouded by real or perceived conflict of interest.

The independence of a person recommended by the Bank on the position of the Supervisory Board member shall be verified by the Bank before appointment in accordance with the National Bank of Georgia's Questionnaire on Independence and the compliance analysis as stipulated by the Regulation on Fit and Proper Criteria for Administrators of Commercial Banks.

"Independent member" means a member, when he/she or his/her relatives, are first and second legal heirs under the Civil Code of Georgia:

1. Is not a relative of administrators of the Bank or of the Bank's related companies;
2. Is not a relative of the person(s), who directly or indirectly hold significant shares of the Bank or of the Bank's related companies;
3. During the last two years, did not have any personal relations (kinship, living together etc.) with the administrators of the Bank or those of the companies incorporated in the group, also with the person(s) holding a significant share of the Bank or of the companies incorporated in the group;
4. Does not receive additional remuneration from the Bank other than a fixed fee for membership of the Supervisory Board and the Supervisory Board committees;
5. Does not receive dividends for owning the Bank's shares (owning less than 2% of the Bank's shares directly or indirectly);
6. During the last two years, did not conduct business or did not have any other types of material business/commercial relationships with the administrators of the Bank or the Bank's related companies;
7. During the last two years, did not conduct business or did not have any other types of material business/commercial relationships with the person who directly or indirectly holds significant shares in the Bank or in the Bank's related companies;
8. Does not have any kind of material liability (including financial one) towards the Bank, the Bank's administrators, the Bank's significant/shareholders or any other type of material / financial interest (including property, investment) in the Bank or in the Bank's related companies (exception is the case when a person directly or indirectly holds 2% or less shares of the Bank or of the Bank's related companies);
9. During the past five years did not have professional or other kind of working relationship (including business services, etc.) with the Bank and with the Bank's related companies, with the administrators and significant shareholders (exception is the case when a person performs non-executive functions or occupies non-executive position);
10. Has not been employed by the Bank within the last five years other than as a member of the Supervisory Board or Supervisory Board committees;
11. Is not related to a non-profit organization that receives significant funding from the Bank or from the Bank's related companies;
12. Is not, nor in the past five years has been, related to a present or former auditor of the Bank or of a related party;
13. Has not served on the Supervisory Board for more than nine years since the date of his first election;
14. The Audit Committee members shall not be considered independent if they and/or their relatives, who are first and second legal heirs under the Civil Code of Georgia, have financial liability to the Bank;
15. Did not have any other kind of relationship that may affect the independence of the person.

The independent members of the Supervisory Board of a parent company and/or subsidiary banks of the group may also be considered to be independent on the Supervisory Board of the subsidiary bank if these members satisfy the independence criteria set by the best international practices and Corporate Governance Code for Commercial Banks approved by Decree №215/04 of the Governor of the National Bank of Georgia.

The Corporate Governance Policy is available on PASHA Bank's website at pashabank.ge

SUPERVISORY BOARD MEMBERSHIP CRITERIA

The Bank's Corporate Governance Policy sets the Supervisory Board membership criteria, according to which the Supervisory Board seeks members with extensive experience and expertise and a reputation for integrity.

Members of the Supervisory Board should have experience in positions with a high degree of responsibility, be leaders in companies or institutions with which they are affiliated, and be selected based on contributions they can make to the Supervisory Board, and their ability to represent the shareholders' interests. The Supervisory Board will also take into account the diversity of a candidate's perspectives, background, and other demographics. The Supervisory Board membership criteria and appointment process are also regulated by the Bank's Standard on Appointment of Administrators, which is developed in compliance with the Regulation on Fit and Proper Criteria for Administrators of Commercial Banks and sets requirements that a candidate for the Supervisory Board Membership shall comply with.

In assessing the collective suitability of the Board, the following should be taken into account:

- A member of the Supervisory Board shall have university education in one of the following fields: economics, finance, banking, business administration, audit, accounting, jurisprudence, or other relevant education that enables him/her to perform his/her duties;
- A member of the Supervisory Board shall not be an administrator of another commercial bank registered in Georgia, except in the case when he/she holds an administrator's position in a bank that is a subsidiary or a parent of the Bank;
- A member of the Supervisory Board shall not be a member of the Supervisory Board or the Board of Directors in more than seven enterprises registered in Georgia;
- A member of the Supervisory Board shall not be an I or II rank relative of a member of the Board of Directors or the Supervisory Board of the Bank;
- A member of the Supervisory Board shall have appropriate qualifications and professional experience, the composition of the Supervisory Board should ensure a variety of skills, knowledge, and experience, which correspond to the scale and complexity of the Bank's activities.

According to the Corporate Governance Policy, factors considered in the review of potential candidates include:

- Prominence in business, institutions, or professions;
- Integrity, honesty, and the ability to generate public confidence;
- Demonstrated sound and independent business judgment;
- Financial literacy and experience with financial institutions;
- Risk management experience;
- Professional experience required to contribute to the Supervisory Board committees;
- Ability to devote sufficient time to the Supervisory Board and the committee work;
- Residency in and familiarity with the geographic region where the Bank carries on business;
- Competencies and skills that the Supervisory Board expects from each existing member.

The independence of a Supervisory Board member is confirmed by the Bank prior to his/her appointment as dictated by the Independence Questionnaire elaborated by National Bank of Georgia (NBG) and a compliance analysis is submitted to NBG.

BOARD EFFECTIVENESS REVIEW: EVALUATION OF THE SUPERVISORY BOARD MEMBERS

The Supervisory Board conducts an annual effectiveness review in order to evaluate the performance of the Supervisory Board as a whole, the Supervisory Board committees, and its individual members. Annual evaluations are internally facilitated. The performance evaluation process may differ from year to year but will normally take the form of a detailed questionnaire supplemented by individual interviews with members of the Supervisory Board and the Supervisory Board committees. The Chairman may hold private meetings with each member of the Supervisory Board to discuss the evaluation results and individual performance. The Chairmen of the Supervisory Board committees are responsible for the evaluation of their committees.

REVIEW AND ASSESSMENT OF BOARDROOM PRACTICES

The Supervisory Board periodically reviews the structure, size, and composition of the Supervisory Board and the committees, and assesses the effectiveness of internal governance policies and practices.

After each Supervisory Board meeting, the Corporate Secretary conducts an online survey of Boardroom Practices to determine the effectiveness of the existing Boardroom culture in the Bank. With this survey, the Supervisory Board members are given an opportunity to evaluate the level of the Bank's preparedness and the Board meeting performance to propose their suggestions for improvement, as well as to assess their and their colleagues' performance.

Due to the sensitivity of the information, the anonymity of each respondent is strictly protected.

Throughout the year, the Bank held a high number of Board meetings; in total, the Bank convened 53 Board meetings, 42 of which were extraordinary.

INDEPENDENT ASSESSMENT

The effectiveness assessment of the Board and its committees was conducted by an independent consultant in the first quarter of 2026 and covered the period of 2023–2025. The independent consultant applied a Supervisory Board effectiveness measurement framework.

The assessment process was divided into three phases and identified five focused assessment areas and five outcome indicators.

The assessment was based on the Corporate Governance Code for Commercial Banks, the European Banking Authority (EBA) Guidelines, and leading best practices.

The 5 focus areas to be assessed were:

Board Self-Assessment Policy and Its Effectiveness — Members of the Supervisory Board are generally aligned in their views on key aspects related to the Board's duties and responsibilities and provide positive evaluations of the Board's performance, including cooperation and communication both within the Board and with the Bank. Existing normative documents (policies and procedures) and supporting materials (meeting minutes, presentations prepared for committees, and others) uphold the results of the questionnaire. The key normative documents are in place and up to date.

Board Responsibilities and Role — The Supervisory Board of the Bank holds primary responsibility for monitoring and challenging the Bank's strategy, overseeing management decisions, promoting diversity of perspectives, ensuring compliance and integrity, and integrating ESG factors into risk management, among other duties.

Committees - Each committee must have a clear mandate and written statute outlining its responsibilities. To avoid overlap, committee members should not serve on multiple committees. Furthermore, all committee members must possess the necessary qualifications to effectively fulfill their duties.

Organizational and governance structure- The Bank should have a transparent and formally documented organizational structure with clearly defined reporting lines and allocation of responsibilities. Risk management should be based on the "three lines of defense" model. The Bank should periodically assess the effectiveness of its governance structure and update it when necessary.

Cooperation with other functions of the Bank - Internal control functions within the institution include risk management, compliance, and internal audit functions. These functions operate with clearly defined reporting lines and segregated responsibilities that are well established and documented. Where necessary, the heads of internal control functions have the authority to report directly to the Supervisory Board, particularly when certain developments may have an impact on the institution.

The following works were carried out for the purpose of assessment:

- Review of documentation.
- Distribution of an online questionnaire to the members of the Board.
- Benchmarking against leading market and local practices.

The assessment results indicate that the Supervisory Board effectively performs its assigned duties. Cooperation and communication are ensured within the Board, while existing policies, procedures, and supporting documentation facilitate governance processes. Key normative documents are in place and are regularly updated.

All focused areas are generally qualified as organized, including the overall assessment result.

MEETINGS OF THE SUPERVISORY BOARD

Throughout 2025, the Supervisory Board held fifty-three (53), including forty-two (42) extraordinary Board meetings, and eleven (11) ordinary meetings

Supervisory Board

Members as at 31 December 2025

Name, Surname	Position	Date of Election	Other positions	Meetings attended/eligible	Attendance Rate
Rovshan Allahverdiyev	Chairman of PASHA Bank Supervisory Board	12.09.2023	—	46/46	100%
Kamala Nuriyeva	Board Member	12.09.2023	Risk Management Committee Member	45/53	85%
Giorgi Glonti	Senior Independent member	31.12.2018	Audit Committee Chairman; Risk Management Committee Member	53/53	100%
Ebru Ogan Knottnerus	Independent member	31.12.2018	Risk Management Committee Chairperson. Audit Committee Member	51/53	96%
Shahin Mammadov	Board Member	30.05.2018	Audit Committee Member	43/45	96%

AGENDA OF SUPERVISORY BOARD MEETINGS

Throughout the year 2025, the Supervisory Board included in its agenda, and reviewed and/or approved a range of topics concerning corporate governance, operational and organizational risk management, strategic planning and budgeting, and different operational matters, such as the approval of credit facilities, etc.

Items Related to Corporate Governance

- Approval of the updated composition of the Strategy and Budget Expert Group Committee
- Approval of organizational structure changes
- Approval of the Executive Board KPIs for PBG
- Approval of the updated composition of the HR Expert Group and the Nomination and Remuneration (NR) Expert Group
- Approval of governance-related policies, standards, and procedural frameworks

Items Related to Risk Management

- Approval and review of the Risk Appetite Statement (RAS) and Risk Appetite Framework
- Review of annual, quarterly, and thematic risk reports, including risk health indices
- Approval and review of ICAAP and ILAAP frameworks, reports, and stress-testing results
- Approval of capital adequacy evaluations, recovery and business continuity plans
- Approval and revision of financial institution exposure limits and FX limits

- Approval of internal risk methodologies (credit, market, liquidity, operational, IT/InfoSec KRIs)
- Review of stress test results and capital planning assumptions
- Approval of changes to pricing terms, margins, and contractual conditions affecting risk exposure
- Review of Risk Management Committee reports to the Supervisory Board

Compliance and AML-related Documents

- Approval and review of AML, CFT, offshore, and compliance-related policies
- Review of AML/CFT organizational risk assessments and compliance reports
- Review of related party transaction reports and approvals of related party transactions
- Approval of related party standards, identification procedures, and disclosure frameworks
- Approval and annulment of compliance-relevant internal policies and frameworks

HR-Related Decisions

- Approval of salary increases and compensation changes for specific employee groups
- Approval of Bonus Schemes Framework
- Approval of the Board of Directors Bonus Calculation Methodology V.1

Items Related to Strategic Planning and Budget

- Approval of Budget 2026 for PASHA Bank Georgia
- Approval of annual budgets and budgeting policies
- Approval of strategic plans and multi-year outlooks
- Approval of capital market transactions (bond issuances, bond acquisitions)

Other operational and business matters were considered and approved, including the authorization of financing transactions, amendments to the terms and conditions of existing exposures, approvals of guarantees and bond transactions, capital and liquidity-related matters, policy approvals and annulments, remuneration-related decisions, and other matters falling within the Supervisory Board's and its committees' competencies. Meeting minutes reflecting the respective decisions were duly prepared and formally approved in accordance with internal governance procedures, with authorization by the Corporate Secretary and the Chairperson of the relevant governing body.

The Meeting Minutes include information on the final decision, as well as arguments of members voting against the resolutions. The Meeting Minutes were provided to NBC not later than ten days after the meeting date and respective excerpts were distributed to relevant internal stakeholders.

The Supervisory Board regularly meets with senior management and internal control functions to review policies and regulations that identify material risks and issues that are subject to impediments. The Board questions and critically reviews explanations and information provided by the senior management.

The Schedule of Matters Reserved for the Supervisory Board Decision can be found on Page 25.

STRATEGY

Whithin the scope of 2024-2026 strategy period objectives, in 2025 the Bank continued to maintain the aspirations of becoming a noticeable market player governed by utmost integrity, sound corporate governance, advanced technology solutions and managed by a competent human talent to stimulate sustainable economic growth, professional entrepreneurship, and to facilitate country-wide, as well as the regional business partnership. The Bank stays committed to encouraging a culture of innovation and creativity and becoming a representation of good corporate practice, trust, continuity, and respect for all our stakeholders. The Bank will be further focusing its sustainability efforts through diversifying and increasing profitability in commercial and corporate segments.

The Bank's corporate culture evolves with its developing strategy, always staying loyal to its core values and adopting new policies and procedures which comply with the Georgian legislation.

THE SUPERVISORY BOARD COMMITTEES

The Supervisory Board has established two committees under its mandate – the Audit Committee and the Risk Management Committee.

The Audit Committee

The Audit Committee of JSC PASHA Bank Georgia was established by and is accountable to the Supervisory Board. The Committee is a governing body that establishes and controls internal audit functions and monitors the Bank's activities according to the applicable legislation. The Committee is responsible for overseeing the Bank's systems of internal controls by establishing an internal audit function. The Committee also communicates with the Bank's external auditor and reviews annual and interim IFRS financial statements. By bringing a systematic approach to the evaluation and improvement of risk management, internal control, and governance processes, the Committee monitors whether structural units and employees of the Bank follow the requirements of acting legislation.

The Committee assists the Supervisory Board and the Board of Directors in ensuring the existence and adequacy of an effective internal control system in the Bank.

Members are appointed for a term of a maximum four years, with non-restricted re-election.

The Committee meetings should be held at least quarterly and may be held more often if required. During 2025 the committee held 11 meetings.

The Committee makes decisions based on a simple majority of votes of members present. Each member has one vote. In case the votes are equal, the vote of the Chairman is considered a decisive vote. Heads of departments, external auditors, or other persons may be invited to the Committee meetings, if necessary.

Members as of 31 December 2025 and the Audit Committee attendance

Name, Surname	Position	Date of Election	Meetings attended/eligible	Attendance Rate
Giorgi Glonti	Committee Chairman; Senior Independent Member of the Supervisory Board	01.01.2019	11/11	100%
Ebru Ogan Knottnerus	Committee Member; Independent Member of the Supervisory Board	01.01.2019	9/11	82%
Shahin Mammadov	Committee Member; Member of the Supervisory Board	01.01.2019	11/11	100%

For further information, you can view the Audit Committee Statute on the Bank's website at pashabank.ge

External Auditor

Remuneration of the Bank's external auditor, including professional services fees, for the years ended 31 December 2025 and 2024 comprises (net of VAT):

	2025	2024
Fees for the audit of the Bank's annual Financial Statements for the year ended 31 December	245	130
Expenditures for other professional service	79	63
Total fees and expenditures	324	193

Fees and expenditures to other professional audit firms in respect of other professional services comprised GEL 47 thousand in 2025 (2024: GEL 10 thousand).

The Risk Management Committee

The Risk Management Committee of JSC PASHA Bank Georgia was established by the Supervisory Board to advise and assist the Board in discharging its duties and responsibilities, and to ensure that the processes and capabilities for identification, assessment, measurement, control, reporting, and monitoring of risks are effective. The Committee monitors and ensures that the Bank's business is conducted according to the risk guidelines set by the Supervisory Board, and that the risk management system is effective and achieves its purpose. The Committee provides information to the Supervisory Board on strategy formulation, which requires the Bank to manage risks within the Board guidelines for risk appetite. The Committee reviews risk management policy and strategy, and the findings of the Internal Audit Department regarding risk management. Furthermore, it reviews the Bank's risk identification and assessment reports, the risk appetite and tolerance statement, and the Business Contingency Plan, and evaluates the effectiveness of mitigating strategies to address material risks of the Bank. The Risk Management committee has free and unfettered access to senior management, risk and financial control personnel, and other parties (internal and external) in carrying out its duties.

The Chairperson of the Risk Management Committee is independent and is not the Chairperson of the Supervisory Board or any other committees. The Risk Management Committee comprises three members, the majority of which are independent members of the Supervisory Board.

The Risk Management Committee liaises regularly with the CRO and Deputy CRO to ensure the development and on-going maintenance of a risk management system that is effective and proportionate to the nature, scale, and complexity of the risks inherent in the business. The Risk Management Committee invites the CRO and Deputy CRO to attend the meetings of the Committee.

The Risk Management Committee meetings should be held at least quarterly. In case of necessity, additional, out-of-schedule, committee meetings may be summoned extraordinarily.

Throughout 2025, the Risk Management Committee held eleven meetings during which various risk management issues were reviewed and, where appropriate, endorsed for approval by the Supervisory Board

Throughout 2025, the Risk Management Committee held eleven meetings during which various risk management matters were reviewed and, where appropriate, endorsed for approval by the Supervisory Board. Among others, the Committee agenda included the review and monitoring of the Risk Appetite Statement and Risk Appetite Framework, assessment of capital and liquidity adequacy including ICAAP and ILAAP frameworks and stress testing results, evaluation of enterprise-wide risk identification and operational risk assessments, oversight of key risk indicators and risk culture metrics, and consideration of capital projections and recovery planning. The Committee also reviewed cybersecurity, information security, and IT-related risks, including audit findings, penetration testing results, and regulatory frameworks, as well as business continuity, crisis management, and recovery arrangements. In addition, the Committee considered financial institution and counterparty risk exposures, supported the approval of relevant policies and methodologies, and reviewed periodic risk reports and committee reports submitted to the Supervisory Board.

Members as of 31 December 2025 and the Risk Management Committee attendance

Name, Surname	Position	Date of Election	Meetings attended/eligible	Attendance Rate
Ebru Ogan Knottnerus	Committee Chairperson; Independent Member of the Supervisory Board	31.12.2019	14/14	100%
Giorgi Glonti	Committee Member; Senior Independent Member of the Supervisory Board	31.12.2019	12/14	86%
Kamala Nuriyeva	Committee Member; Member of the Supervisory Board	12.09.2023	14/14	100%

For further information, you can view the Risk Management Committee Statute on the Bank's website at pashabank.ge

THE BOARD OF DIRECTORS

Day-to-day operational management of the Bank is carried out by full-time executives – members of the Board of Directors. The Bank's Board of Directors comprises four directors: Chief Executive Officer, Chief Risk Officer, Director of Retail Banking and Chief Financial Officer. The directors are appointed by the Supervisory Board for a fixed term, typically for four- years, with the possibility of renewal at the end of the term. The position and the scope of activity for each member of the Board are determined upon appointment.

Senior management plays an important role in ensuring effective governance and is therefore responsible for effective management consistent with the Supervisory Board policy. All administrators comply with the requirements of the Corporate Governance Code for Commercial Banks and the existing legislation, including the Regulation on Fit and Proper Criteria for Administrators of Commercial Banks approved by Decree No 50/04 of the Governor of NBG on June 17, 2014.

According to the Bank's Charter , the following activities shall be performed by the Board of Directors:

- Carry out the Bank's day-to-day business operations;
- Take all reasonable measures to have up-to-date information on the financial standing of the Bank and make informed decisions on matters concerning the operation of the Bank; in cooperation with other functional units of the Bank, the Board of Directors shall ensure maintenance of the Bank's solvency and liquidity, and shall ensure that all measures required for this purpose are taken;
- Develop corporate strategy, strategic objectives, business plan, annual budget, and submit it to the Supervisory Board for approval;
- Present to the Supervisory Board and the General Meeting of Shareholders audited financial statements together with Independent Auditors' Reports;
- Submit to the Supervisory Board for approval transactions that go beyond the scope of corporate strategy and strategic objectives, business plan and budget (non-standard transactions);
- Report to the Supervisory Board any performance against the corporate strategy and strategic objectives, business plan and budget;

- Approve day-to-day operational banking activities, including attraction of borrowings, granting lending and trade finance products, approval of loan restructuring, approval of acquisition and disposal of fixed assets and intangible assets, administrative expenses, cash limits, implementation of equity investments in public companies, and sign respective agreements within the limits of its decision-making and signatory authority as approved by the Supervisory Board in the Decision Making and Signatory Authority Matrix;
- Determine and approve minimum and maximum interest rates to be used for credit recourses and deposits;
- Approve all forms of technical assistance, service, purchase agreements, and know-how;
- Supervise units and/or departments of the Bank, ensuring that the Bank provides proper services to its customers;
- Solve issues of collateral seizure and take other appropriate measures to protect the Bank against losses;
- Ensure the existence of a proper system of risk control in the Bank following the requirements of Georgian legislation;
- Prepare complete and accurate annual, semiannual, and quarterly reports, and other financial information;
- Prepare and submit proposals and draft resolutions, reports, and any other information or documentation requested by or to be presented to the Supervisory Board or the General Meeting of Shareholders;
- Review information provided by internal and external audit of the Bank, the Audit Committee, and any expert and/or advisor engaged by the Bank, as well as reports submitted by managers of the Bank, and make appropriate decisions;
- Approve and amend internal regulatory documents of the Bank except those related to the Supervisory Board privileges;
- Develop and submit for approval to the Supervisory Board internal regulatory documents of the Bank;
- Develop and submit for approval to the Supervisory Board the Code of Ethics, including whistleblowing procedures;
- Develop and submit for approval to the Supervisory Board organizational structure of the Bank;
- Approve structure, size, and composition of the Board of Directors committees, including appointment and removal of committee members; review committee reports;
- Approve job descriptions for managerial positions, work schedules, and collective labor agreements;
- Decide on appointment, dismissal, and remuneration of the Bank employees, except members of the Board of Directors;
- Determine any other matter related to the Bank employees;
- Recommend and submit for approval to the Supervisory Board bonus pool for the Bank employees, except bonus amounts to be disbursed to front-office function;
- Approve disbursement of bonus amount to front-office function;
- Monitor compliance with legislation, internal normative documentation, and implementation of resolutions of the General Meeting of Shareholders and the Supervisory Board;
- Execute and implement resolutions issued by the Supervisory Board and the General Meeting of Shareholders;
- Perform any other duties imposed by the Supervisory Board and the General Meeting of Shareholders. The Board of Directors is led by the Chairman of the Board of Directors, who simultaneously serves as the CEO of PASHA Bank. Decisions of the Board of Directors are made by a simple majority of votes.

Nomination Process

The Supervisory Board is responsible for developing and presenting for approval to the General Meeting of Shareholders a formal, rigorous, and transparent procedure for the appointment of directors. The procedure for identifying candidates shall be transparent, so that shareholders are able to see what type of person the Bank is looking for and why a particular individual is appointed. The Supervisory Board is responsible for the search of new members of the Board of Directors. The Chairman of the Supervisory Board interview the candidate before his/her appointment is recommended to the Supervisory Board for approval.

The HR and Remuneration Expert group is responsible for considering succession planning for the directors, conducting an annual review of succession planning, and proposing changes to the process as necessary. The Board of Directors membership criteria and appointment process are regulated by the Bank's Standard on Appointment of Administrators. The process for appointing the Bank's director corresponds to banking regulations and follows criteria and limitations similar to those established for members of the Board of Directors.

MEMBERS OF THE BOARD of DIRECTORS



Ramil Imamov

Chairman of the Board of Directors, CEO

Mr. Ramil Imamov was appointed as the Chief Executive Officer and Chairman of the Board of Directors of PASHA Bank Georgia starting in October 2023.

Experience

His career began at Bank of Baku OJSC, starting as a Specialist in the Micro Finance and Mortgage Section and later as a Branch Manager at Bank Respublika OJSC, where he managed sales and ensured service quality. In 2014, he joined Kapital Bank OJSC as the Director of the Branch Network Management Department, overseeing retail operations.

In 2018, Mr. Imamov assumed the role of Chief Retail Sales Officer at Kapital Bank OJSC. He successfully managed multiple departments and led sales strategies.

Education

Ramil Imamov is an accomplished banking professional with a strong track record. He holds both a Bachelor's and master's Degrees in Economic Regulation from Azerbaijan State Economic University.



Parvin Mammadov

Member of Board of directors, CFO

Mr. Parvin Mammadov joined PASHA Bank Georgia in October 2023 as board of directors and the Chief Financial Officer.

Experience

Mr. Parvin Mammadov in his career worked in Rabita Bank OJSC and in KredAgro NBCO, Baku.

From April 2012 Mr. Parvin Mammadov continued his career as Finance Director of Kapital Bank, Baku.

Education

Mr. Parvin Mammadov graduated from Economics 9 Eylul University, Turkey, with the bachelor's degree in business administration in 2009.

He graduated Master of Business Administration: MBA UNEC - Baku, Azerbaijan



Levan Aladashvili

Member of the Board of Directors, CRO

Since May 17, 2021, Levan Aladashvili has held the position of Chief Risk Officer and Member of the Board of Directors at JSC PASHA Bank Georgia.

Experience

He began his professional career at ProCredit Bank Georgia. Between the years 2006- 2015, he worked for VTB Bank Georgia in Corporate Banking and Credit Risk Departments.

From 2015 Levan Aladashvili continued his professional career as Head of Credit Risks Department at PASHA Bank Georgia. In 2019 Mr. Aladashvili was appointed on the position of Deputy Chief Risk Officer.

Education

Levan Aladashvili graduated from Tbilisi Technical University and obtained his Bachelor's degree in Banking in 2005. He has participated in numerous professional trainings in the areas of risk assessment, risk management, and financial analysis.



Anzor Mantskava

Member of the Board of Directors, COO

In 2023, Anzor Mantskava joined JSC Pasha Bank as a member of the board of directors and head of retail business.

Experience

Anzor's 20-year career has been mainly in the financial sector. In 2003, he began working as an audit consultant at UBC International. In 2005, he joined PricewaterhouseCoopers as a financial auditor. In 2006, he took the position of head of the internal audit department at JSC TBC Bank. In 2012, he took over the Department of Customer Experience and Business Process Management at TBC Bank. In 2014, he headed the Operational Risk Management and Information Security Department at TBC Bank.

In 2015, Anzor went to the UK to study at Warwick Business School. As part of his project and thesis, he analyzed and wrote a social media strategy for Nationwide Building Society, the largest British mortgage issuing organization.

In 2016, Anzor returned to Georgia and assumed the position of director of TBC Pay. He and his team significantly increased the company's operations and profitability. He then joined the Anaklia Development Consortium as Operations Director. In this role, he worked with various financial institutions and construction companies on project-related issues.

Anzor was also engaged in various consulting activities with construction companies in Georgia. These activities mainly concerned the improvement of corporate governance in organizations.

Since 2021, he has headed the e-commerce platform extra.ge.

Education

In 2004, Anzor Mantskava received a bachelor's degree in Accounting, Control, Audit from the Tbilisi State University Faculty of Economics. He also earned a Master of Business Administration from Warwick Business School in 2016.

The reporting line to the members of the Board of Directors is shown in the organisational chart on the page 20

COMMITTEES OF THE BOARD OF DIRECTORS

According to the Corporate Governance Policy, the Board of Directors may establish standing and/or ad hoc committees, which shall have the obligation to fulfil duties determined by the latter. The Board of Directors approves committee statutes, committee size and composition, including appointment and removal of committee members.

The Board of Directors shall be collectively responsible for decisions made and activities implemented by the committees. The committees shall only exercise powers that are explicitly attributed or delegated to them and their actions as a whole shall not exceed the powers of the Board of Directors. Periodically, the Board of Directors shall receive a report from each committee regarding its deliberations and findings.

There are currently three committees supporting the Board of Directors:

Credit Committee

The committee was established to assist the Board of Directors in discharging its duties and responsibilities in specific areas of business activities. The committee monitors credit risk-related issues, approves individual or group credits, or other credit products within delegated authority, issues recommendations regarding individual or group credit exposures, issues recommendations regarding credit risk management, monitors loan portfolios, trade finance portfolios, investment portfolios and collateral portfolio, manages problem loans, and ensures the adequacy of loan loss allowance.

The committee has a statute that regulates its activities and contains provisions on the scope of authority, competencies, composition, working procedures, rights and responsibilities.

Assets and Liabilities Committee

The committee was established to assist the Board of Directors in discharging its duties and responsibilities in specific areas of business activities. The committee works to implement practices for managing the Bank's assets and liabilities in terms of interest rate risks, liquidity risks and market risks. The assets and liabilities management of the Bank is based on policies, guidelines on risk appetite, revenue targets and rates of return, as well as risk management. The covered areas include capital ratios, liquidity, asset mix, rate settings for loans and deposits, and investment guidelines for the banking portfolio. The key objectives of the committee include maintaining liquidity positions, capital ratios at the planned minimum, and ensuring the safety of the deposit base, maintaining the asset and liability mix generating a satisfactory revenue stream to satisfy profitability targets.

The committee has a statute that regulates its activities and contains provisions on the scope of authority, competencies, composition, working procedures, rights and responsibilities.

IT Committee

The IT Committee was established to assist the Board of Directors in fulfilling its responsibilities regarding the Bank's information technology and security. The committee works to develop and implement strategies for IT growth, evaluate IT projects, monitor their progress, and address issues impacting IT operations. It ensures the reliability, fail-safety, and security of IT systems, as well as the development of relevant IT and information security policies. The committee regularly reviews the Bank's IT strategy and ensures that IT initiatives align with business goals and regulatory requirements. Its key objectives include maintaining operational stability, protecting data, and supporting the Bank's strategic use of technology.

The committee has a statute that regulates its activities and contains provisions on the scope of authority, competencies, composition, working procedures, rights and responsibilities.

INTERNAL AUDIT DEPARTMENT

The Internal Audit Department of JSC PASHA Bank Georgia is responsible for providing a regular, independent, objective audit of the Bank's risk management, internal control, and corporate governance processes. The main objective of the Department is to add value and ensure the improvement of the Bank operations.

The Internal Audit Department is independent of the Bank's management and is reportable directly to the Audit Committee.

The Internal Audit Department Statute describes matters related to the Department's purpose, rights and duties, scope of activities, reporting, and independence. The Internal Audit Policies and Procedures Manual define a set of comprehensive policies, methodology, procedures, and guidance for performing risk based and value-added audits.

The Annual Audit Plan, which is based on a documented risk assessment, is reviewed and approved by the Audit Committee. Audit findings are communicated to the Audit Committee. The department's budget and compensation are determined by the Supervisory Board based on the proposal of the Audit Committee.

The Head of the Internal Audit Department and the department's other employees are appointed by the Bank's Supervisory Board based on the nomination and consent of the Audit Committee.

REMUNERATION POLICY FOR DIRECTORS

On March 16, 2022, the General Meeting of Shareholders approved the updated Remuneration Policy for Material Risk Takers (the "Policy"). The Policy establishes guiding principles for decisions concerning remuneration of the Bank's Material Risk Takers, including Board of Directors and Supervisory Board members, that ensure fair, risk-based, aligned to corporate culture, competitive, and appropriate remuneration for the market in which the Bank operates. The Policy ensures that the remuneration is appropriate to attract, motivate, retain, and fairly reward Material risk-takers of the Bank and is consistent with the Corporate Governance Code for Commercial Banks approved by Decree № 215/04 by the Governor of the National Bank of Georgia.

Principles Of Remuneration For Supervisory Board (SB) Members

Concerning the remuneration of Supervisory Board members, the Policy adopts the following principles:

- SB members of the Bank shall be remunerated only in the form of fixed remuneration.
- SB members shall not be provided with performance-based remuneration bonuses.
- Remuneration may be different for resident and non-resident SB members. In addition to fixed remuneration, SB members may receive additional remuneration if the member is the Chairman of SB, the Deputy Chairman of SB, a member of the Committee of SB, or the Chairman of SB Committee. The difference between the highest annual (including additional remuneration) and the lowest annual remuneration of the members of SB should not be more than 30% of the lowest remuneration of the SB members.
- Each SB member shall be reimbursed for all reasonable expenses (travel expenses, travel insurance, accommodation, etc.) incurred in connection with their attendance at SB or other meetings of the governing bodies, due to the fact that SB and other meetings of the governing bodies can be held on the territory of Georgia or abroad.
- Each SB member, in performing his/her duties as member of SB or other governing body, has statutory right to request independent consultancy services, and costs of such services provided to SB members shall be reimbursed by the Bank.
- The Bank is prohibited from concluding any type of consultancy agreements with SB members and paying additionally for services provided to the Bank in order not to prejudice the independence of SB members.

Principles of Remuneration for Members of the Board of Directors (Directors)

Concerning the remuneration of Directors, the Policy adopts the following principles:

- Director's remuneration shall consist of fixed and performance-based variable remuneration and other benefits.
- Directors are eligible for an annual bonus pool provided that they meet their performance KPIs.
- The Bank's remuneration system should not jeopardize its standing in terms of compliance with regulatory capital requirements. If such material risk persists, consideration should be given to refraining from payment of variable remuneration to directors.
- The annual amount of performance-based variable remuneration for each executive director should not exceed 100% of the amount of his/her fixed annual remuneration with any reasonable exception approved by the General Meeting of Shareholders, but only to a maximum limit of 200%.
- Deferral Principle - At least 40% of variable remuneration or - where variable remuneration of MRTs is material (exceeds 100% of fixed remuneration and/or exceeds 500,000 GEL or its equivalent) - respectively 60% of the variable remuneration shall be deferred over a period of at least 3 (three) years. Deviation from this requirement is allowed if the annual variable remuneration of the person is non-material (does not exceed 20% of the annual fixed remuneration).
- The deferred remuneration may be paid and/or vested fully at the end of the deferral period or proportionally distributed in equal annual installments through the deferral period. In the case of proportionate payments, the first installment of the deferred variable remuneration may be paid no earlier than one year from the beginning of the deferral period, and subsequent payments should not be made more often than once in 12 months.

When deciding regarding base remuneration for an executive director, the Supervisory Board shall consider responsibilities, country-specific remuneration benchmarks, residency, and active legislation.

Variable remuneration might become subject to clawback and malus arrangements. Remuneration can be adjusted (reduced or reversed) taking into consideration the realized risks of the Bank before or at the time of vesting. Remuneration can be adjusted (reduced or reversed) after vesting, due to misreporting, or failure to comply with internal policies or other legal requirements, or for other breaches as defined by the Bank. Early termination of employment agreement with an executive director shall not be the basis for change of deferral period or cause any remuneration adjustments unless there are other reasons for adjusting variable remuneration.

In case of resignation of an executive director, the Supervisory Board should assess the reason for resignation to remunerate the executive director for performance and not reward him/her for failure.

Risks associated with remuneration affect every aspect of the Bank's business, including financial performance, culture, operations, reputation, and governance. To mitigate these risks the Supervisory Board has been committed to maintaining a remuneration system that ensures strategy alignment, is based on a clear performance matrix, and is appropriately governed.

Performance KPIs 2025

Return on average equity (ROAE)
Cost to income ratio (COI)
Risk cost ratio
Business portfolio amount
Number of open overdue high-risk audit findings
Sustainable engagement score

Bonus calculation

Each member of the Board of Directors is entitled to a base bonus adjusted depending on the performance, assessed through the KPIs. The base bonus is either equal to a % of net profit or a multiple of the Board of Directors member's monthly gross salary.

The adjustment to the base bonus is calculated based on the following table:

Level of achievement	Score of achievement	Adjustment to Base bonus in %
Exceed expectations	4.26-5.00	110
Meet expectations	3.00-4.25	100
Almost as expected	2.76-2.99	80
Below expectations	1.75-2.75	60
Extremely below expectations	0.00-1.74	40

Remuneration awarded during the reporting period

	Board of Directors	Supervisory Board	Other material risk-takers
Number of employees	4	3	14
Total fixed remuneration	1,914,861	329,632	2,213,108
Of which cash-based	1,641,050	278,473	2,02,154
Of which: deferred			
Of which: shares or other share-linked instruments			
Of which deferred			
Of which other forms	273,811	51,159	191,954
Of which deferred			
Number of employees	7		19
Total variable remuneration	1,392,491		894,863
Of which cash-based	1,392,491		894,863
Of which: deferred	518,089		281,640
Of which shares or other share-linked instruments			
Of which deferred			
Of which other forms			
Of which deferred			
Total remuneration	3,307,352	329,632	3,107,971

SCHEDULE OF MATTERS RESERVED FOR THE BOARD DECISION

Duties and Responsibilities		Quorum Required
1.	Strategic supervision and control of the Bank;	N/A
2.	Approval of the corporate strategy and strategic objectives, review of delivery of the strategy and performance against strategic objectives and operational plans;	simple majority
3.	Approval of the business plan, review of the delivery of the performance against the business plan;	simple majority
4.	Approval of the annual budget, review of delivery of performance against the annual budget;	simple majority
5.	Initiation of new banking/commercial activities and termination or suspension of existing activities;	simple majority
6.	Establishment and liquidation of new enterprises, and branches;	simple majority
7.	Acquisition and disposal of shares in other companies;	simple majority
8.	Approval of the organizational structure;	simple majority
9.	Approval of the Code of Ethics and whistleblowing procedures;	simple majority
10.	Rendering resolutions for implementation of the decision of the General Meeting of Shareholders on admission of the Bank's shares and other securities to the stock market;	simple majority
11.	Declaring an interim dividend and recommending a final dividend;	simple majority
12.	Redemption of shares by the Bank as provided under the Georgian legislation;	simple majority
13.	Perform strategic supervision of risk management activities;	N/A
14.	Approval of the risk appetite statement, conducting annual reviews;	simple majority
15.	Approval of the business continuity plan;	simple majority
16.	Authorization for conflicts or possible conflicts of interest and related party transactions;	simple majority
16.1.	Transactions with related legal entities;	simple majority
16.2.	Transactions with related persons;	simple majority
16.3.	Agreements with related legal entities;	simple majority
16.4.	Approval of cash-covered credit products (including trade finance products) to the related party;	simple majority
17.	Approval of policies, standards and procedures with respect to conflicts of interest and related party transactions;	simple majority
18.	Approval of structure, size and composition of the Board of Directors, including appointments and dismissal of its members;	simple majority
19.	Determining rights and obligations of members of the Board of Directors, monitoring and supervising their activities, requesting reports from the Board of Directors;	simple majority

20.	Approval of succession policy and succession planning for members of the Board of Directors;	simple majority
21.	Conclude the labor agreements and determine remuneration packages for members of the Board of Directors;	simple majority
22.	Approval of the regulatory framework for determining bonuses and/or additional benefits for employees, including for members of the Board of Directors of the Bank;	simple majority
23.	Approval of structure, size and composition of the Supervisory Board committees, including appointments and removals of the Supervisory Board committee members; reviewing reports of the Supervisory Board committees;	simple majority
24.	Election of the external auditors;	simple majority
25.	Appointment and dismissal of trade representatives (procurators);	simple majority
26.	Appointment and dismissal of the Corporate Secretary;	simple majority
27.	Attraction of borrowings by the Bank;	simple majority
28.	Securing borrowings or any other liabilities of the Bank or any third party, if they fall outside the scope of the regular economic activities of the Bank;	simple majority
29.	Granting lending and trade finance products (by amount; by maturity);	simple majority
30.	Sale of credit asset, disregard of its amount, if: It is a collective sale (sale of more than one credit asset at once) of credit assets; The Bank will receive loss from the sale of credit asset, and the sale is above the decision-making limits of the Board of Directors;	simple majority
31.	Approval of loan restructuring;	simple majority
32.	Approval of loan write-off;	simple majority
33.	Approval of acquisition and disposal of fixed assets and intangible assets;	simple majority
34.	Approval of issuance of bonds;	simple majority
35.	Approval of administrative expenses;	simple majority
36.	Approval of cash limits;	simple majority
37.	Implementation of equity investments in public companies;	simple majority
38.	Implementation of any equity investments in private companies;	simple majority
39.	Approval and amendment of the Bank's statute, framework and policy type of documents;	simple majority
40.	Determining and approving the terms and conditions to be used with regard to credit recourses and deposits to the Bank's employees;	simple majority
41.	Convening General Meetings, if deemed necessary for the interests of the Bank;	simple majority
42.	Supervision and representation of the Bank in case of conflict between the members of the Board of Directors;	simple majority
43.	Based on the decision of the General Meeting, procession of legal dispute against members of the Board of Directors on behalf of the Bank, submission of a claim against members of the Board of Directors without the decision of the General Meeting if the issue is related to the responsibility of members of the Board of Directors;	simple majority
44.	Supervising implementation of measures in accordance with results of examinations carried out by the External and Internal Audits, as well as the National Bank of Georgia;	simple majority
45.	Making a decision on such issues that are beyond the scope of the Board of Directors' powers;	simple majority
46.	Perform any other duties as required by the General Meeting.	simple majority

RISK AND CONTROLS



The Bank is committed to developing sound, effective, and complete risk management strategies and processes in order to assess and maintain, on an ongoing basis, the amount, type, and distribution of internal capital that the Bank considers adequate to cover the nature and level of risks to which it is or might be exposed.

Strategies and processes are subject to regular internal review to ensure that they remain comprehensive and proportionate to the nature, scale, and complexity of the Bank's activities. Risk management helps to identify, assess, and manage risks stemming from the Bank's strategy.

The most significant cause of value destruction is an incompatibility between a strategy and the Bank's mission and vision, and implications of such strategy. Risk management enhances strategy selection. Choosing a strategy calls for a structured decision-making that analyses risks and aligns resources with the Bank's mission and vision. Risk management strategy supports the Bank's mission and vision and eliminates the possibility that the Bank may not realize its mission and vision, or may compromise its values, even if a strategy is successfully carried out.

Risk management considers the possibility that a strategy, or implications thereof, is not aligned with the Bank's mission and vision. The Supervisory Board and the Board of Directors determine if a strategy works in tandem with the Bank's risk appetite, how it will help drive the Bank to set objectives, and ultimately, to allocate resources efficiently.

Risk management strategy is derived from business strategy. All factors of business strategy are taken into account for the purpose of risk profile analysis. The Bank manages risks following the Three Lines of Defense model, which provides an effective way to enhance communication on risk management and control by clarifying essential roles and duties. The Three Lines of Defense model enhances clarity regarding risks and controls and helps to improve the effectiveness of risk management systems. The Three Lines of Defense model distinguishes between three groups (or lines) involved in effective risk management:

- Business Function – Functions that own and manage risks;
- Monitoring Function - Functions that oversee risks;
- Independent Function - Functions that provide independent assurance.



The first line of defense refers to business units, directly involved in carrying out day-to-day business activities. They are risk owners and are responsible for identifying, managing, mitigating, analyzing and reporting on risks within their respective business units. It works collaboratively with the second line to address improvements required to enhance controls and mitigate risks.

Second line of defense – refers to business units, who provides oversight and guidance to the first line of defense in implementing effective risk management practices. It mainly ensures effectiveness and compliance of risk management and control processes across the organization.

Third line of defense – refers to an independent internal audit function, which evaluates the first and second lines of defense by conducting general or risk-based audits on effectiveness of risk management and internal control processes as well as on overall governance policy and provides assurance to the Supervisory Board that the overall governance policy, including the risk governance policy, is effective and that policies and processes are in place and consistently applied.

Effective communication between the three lines of defense is crucial for a successful and comprehensive risk management process within the Bank. Each line of defense plays a distinct role in managing risks, and efficient flow of risk related through cohesive communication between them, leading to better risk identification, assessment, and mitigation.

Main roles and responsibilities for key stakeholders in the Bank's Risk Management Process are as follows:

SUPERVISORY BOARD

- Approve the Bank's risk appetite statement and risk management policies;
- Perform risk oversight to incorporate consideration of risk in strategic decision-making and to address risk interactions across business units.

RISK MANAGEMENT COMMITTEE

- Review risk management policies and risk appetite statement;
- Accept risk assessments, issue directives for risk treatment to maintain risk levels within the defined tolerance thresholds, and accept risk treatment options;
- Ensure that appropriate processes and capabilities are in place to identify, assess, measure, manage, monitor, and report risks.

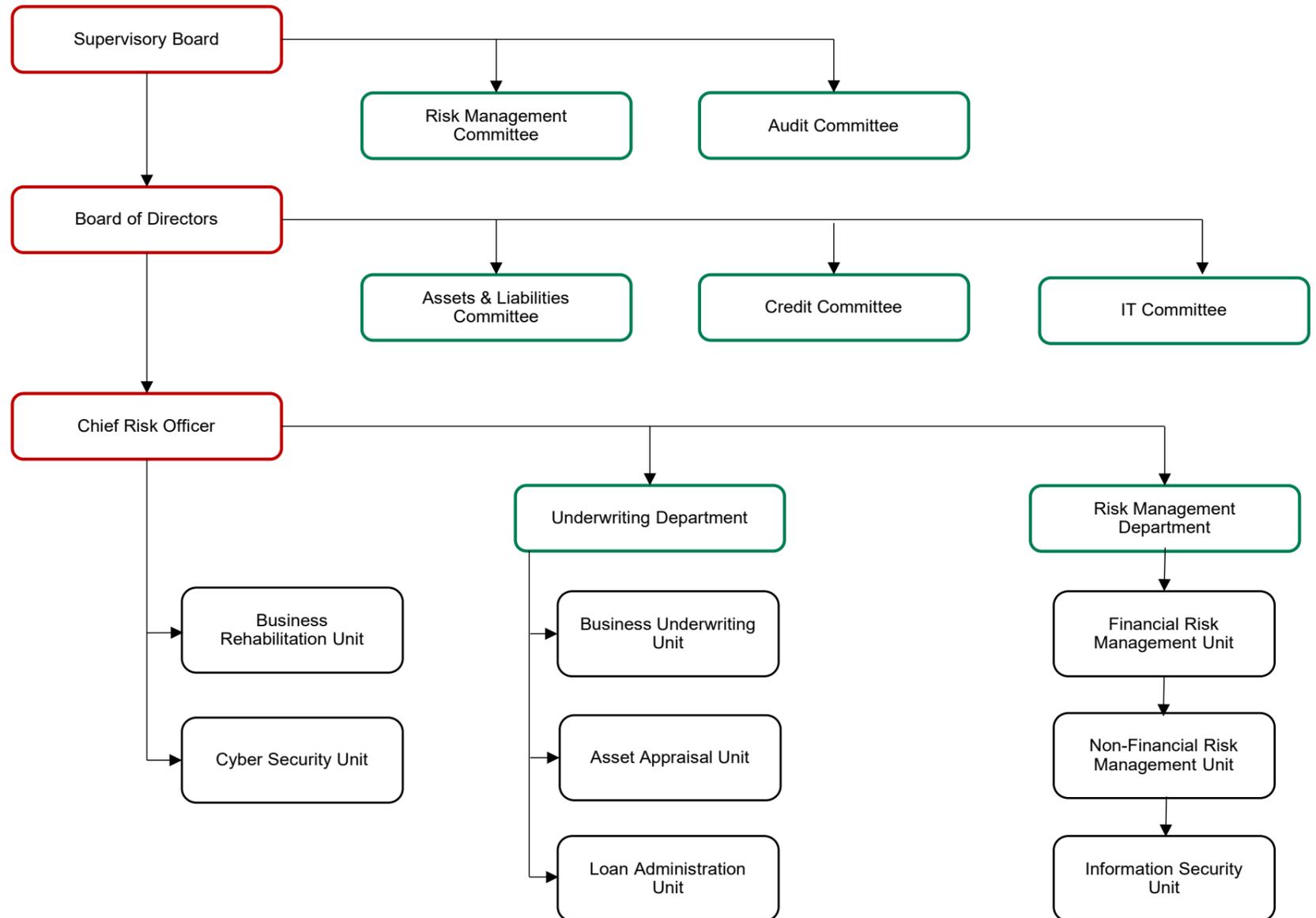
BOARD OF DIRECTORS

- Assume overall responsibility and accountability for risk management function;
- Ensure a proper balance between risk and return, consistent with the Bank's risk appetite;
- Make available the necessary resources to meet risk management objectives and targets;
- Ensure development, implementation, and maintenance of the Business Continuity Plan, ensuring its effectiveness in mitigating potential disruptions and safeguarding the Bank's operations, assets, and stakeholder interests;
- Ensure development, implementation, and maintenance of the Recovery Plan of the Bank, ensuring its effectiveness in restoring the Bank's operations and financial stability during periods of severe stress or disruption.
- Establish, oversee, and promote a strong risk culture within the Bank;
- Coordinate the identification, assessment, and management of ESG risks, ensuring the Bank's strategy aligns with sustainability, ethical practices, and regulatory compliance.
- Ensure risk management principles are integrated into the Bank strategy, operations, and decision-making processes at all levels;
- Maintain commitment to improving risk management performance.

RISK FUNCTION

- Develop, implement, and administer Risk Management (RM) program. This entails developing and maintaining RM policies, identifying key risks to be reported at the corporate level, coordinating risk management processes and procedures, tools, and information systems, risk analysis and risk treatment with risk owners, calculating an overall integrated risk portfolio, reporting on corporate risks and the risk portfolio to the Risk Management Committee, monitoring adherence to the risk management program, and improving risk management capability of the enterprise through communication and training;
- Establish RM communication at all levels. Gather data and develop risk reports for the RM Committee and others as directed by the RM Committee;
- Provide professional advice on RM. Provide advice and direction on current and evolving RM practices, make recommendations, and implement mandated improvements;
- Analyze RM metrics and report performance. Quantify and prioritize risks, validate decision-making analytics, assumptions and methodologies, report risks and ensure that information presented for decision-making and reporting is complete and correct;
- Deploy and maintain quantitative tools and models that assist in estimating the likelihood and severity of risk events such as an event tree model;
- Facilitate identification, measurement, monitoring, and reporting of risks;
- Design/revise the Risk Appetite Statement (RAS) in accordance with the Group RAS;
- Cascade the RAS down to different levels in the organization (i.e. define the "playing field" for units);
- Continuously review/report limit status/breaches and take proactive measures to avoid RAS breaches;
- In case of RAS breaches, propose and execute a mitigation plan;
- Ensure that incentives across the Bank are in line with the RAS;
- Ensure alignment of risk appetite, strategy, and capital allocation in the Bank (including budgeting and business planning cycles);
- Assess risk culture at different levels of the Bank;
- Ensure establishment and maintenance of robust security policies, controls, and procedures to protect the Bank's information assets, ensuring compliance with relevant regulations and safeguarding against cyber threats.
- Ensure continuously monitoring, assessing, and mitigating risks related to information security, ensuring that the Bank's data and systems are protected from unauthorized access, breaches, or disruptions, in line with industry best practices.

Organizational Structure of Risk Management:



RISK APPETITE

The process of setting Risk Appetite seeks to enhance risk management capabilities of the Bank to ensure a better alignment of risk-taking with strategic objectives. Risk appetite objectives define the level of risk that the Bank is willing to accept, provide opportunities for maximization of value within boundaries, establish systematic control of risks, and enable timely mitigation.

RAS resides at the heart of an effective risk management program and is linked to the Bank's overall risk management philosophy and strategic ambition. The objective of developing a clearly articulated RAS is to explicitly define the level and nature of risks that the Bank is willing to take in order to pursue its stated mission on behalf of its shareholders, which is subject to constraints imposed by shareholders, debt holders, regulator, and other stakeholders.

With an RAS in place, the Bank can define specific tolerances around its performance, and in doing so link its risk management to the overall management processes.

General principles of risk taking and risk management established by the Bank are as follows:

- Prudent risk-taking with comprehensive risk assessment and control environment;
- Application of best practices in line with the complexity and size of the Bank;
- Direct risk management considerations into business planning and project development activities;
- Compliance with the requirements of NBG and guidelines from the Bank's shareholders. The general principles of risk-taking have to be reflected in all rules and policies and applied consistently throughout the Bank.

Risk Appetite Framework (RAF), provides a comprehensive and structured approach of how risk appetite statement is established, communicated, and monitored. It emphasizes the importance of policies, processes, controls, and systems that facilitate the implementation of Risk Appetite Statement (RAS).

RAF encompasses the risk appetite statement, which includes risk metrics addressing the material risks to which the bank is exposed, along with corresponding limits. Furthermore, RAF outlines clear roles and responsibilities for overseeing the implementation and ongoing monitoring of both RAS and broader RAF.

RAS includes metrics related to capital management, such as the Capital Adequacy Ratio, to ensure that the bank maintains an adequate buffer to mitigate potential losses. RAS metrics are divided into groups (capital, liquidity risk, credit risk, market risk, operational risk, compliance risk) and sub-group (e.g. credit risk into quality, concentration, financial institutions).

- **Capital/solvency** – the Bank will operate with a sufficient and comfortable capital base, not only to fulfill regulatory requirements, but also to protect the Bank from potential shocks without hindering its growth potential. The Bank will regularly run stress tests to ensure the adequacy of its capital remains.
- **Liquidity** – the Bank will ensure abundant levels of liquidity to survive severe short-term and medium-term market-wide liquidity stress event and to promote diversified and stable funding sources.
- **Credit risk** – the Bank aims to keep a well-diversified loan portfolio that delivers positive net income at a consolidated level even during severe but realistic stress events. To do so, the Bank maintains consistent underwriting standards depending on its risk appetite; the Bank applies appropriate concentration limits and runs tight monitoring systems.
- **Market risk** – the Bank will ensure VaR is sufficiently covered by the capital including the VaR under stress scenarios.
- **Operational Risk** – The Bank assesses its ability to withstand and recover from disruptive events. Metrics will be established to evaluate resilience, ensuring critical operations remain functional under stress
- **Compliance risk** – The Bank will ensure full compliance with all applicable laws, regulations, and internal policies to mitigate the risk of legal or regulatory sanctions.

RISK MANAGEMENT AND CAPITAL ALLOCATION

Bank has internally developed capital adequacy assessment process ICAAP Framework. The ICAAP is designed to provide a holistic understanding of the bank's ability to withstand various risks and adverse scenarios, ensuring the maintenance of sound capital level. Any significant changes to the Bank's strategy, business plan, operating environment, or other relevant factors are identified, assessed, and appropriately reflected in the ICAAP, including any necessary updates to underlying assumptions or methodology.

Credit Risk

Credit risk refers to a threat of losses that impacts the Bank's profitability and capital position and arises from non-performance of contractual obligations by counterparties.

The Credit Policy, Credit Standard and IFRS 9 Impairment Methodology of the Bank regulate lending process and contain credit risk management principles and actions to mitigate risks inherent in lending activities.

The primary objectives of the Credit Policy are to:

- Define basic principles of planning and organizing credit activities and building desired loan portfolio
- Ensure safe and efficient allocation of the Bank's capital and funds

In all cases of risk-taking, the creditworthiness of the customer is to be assessed and monitored during the lifetime of credit exposure according to the Credit Policy. Portfolio quality reports are regularly presented to the Board of Directors.

The capital requirement for credit risk is calculated by the Bank under Basel III requirements based on a standardized approach in compliance with the Regulation of the National Bank of Georgia on Capital Adequacy Requirements for Commercial Banks. To recognize allowance for expected credit losses for all financial assets not held at fair value through profit and loss, the Bank applies the provisions of IFRS 9. Although the Bank considers credit risk as the most material and most important risk type, currently, due to the lack of data, using advanced methodologies for calculation of the credit risk capital requirement would be an excessive exercise for the Bank. The Bank uses internal Moody's based methodology and external rating providers for credit risk assessment, such as Moody's, Fitch, and S&P.

Foreign Exchange Induced Credit Risk

Foreign Exchange Induced Credit Risk arises from fluctuations in foreign currency exchange rates that can negatively impact a customer's creditworthiness. To manage this risk, an individual assessment of customers is conducted alongside transaction-level stress testing, in accordance with the Stress Testing Framework. This risk is also integrated into the capital adequacy requirement by incorporating a Currency-Induced Credit Risk (CICR) buffer for unhedged foreign currency-denominated exposures.

Counterparty Risk

Counterparty risk is a subset of credit risk and is mainly estimated for credit derivatives (i.e. futures, forwards, swaps, options, and other off-balance sheet liabilities originating from other similar contracts), according to CAR requirement regulation, Article 50. Counterparty risk is a risk that counterparty to a transaction would default before the final settlement of the transaction's cash flows. The Bank operates a counterparty limit system for treasury deals with the Bank's partners (banks, financial institutions) as defined by the Board of Directors. Limits are reviewed at least on an annual basis and in cases when relevant information about the counterparty is identified. Counterparty risk is accounted for in the capital requirement estimation under Pillar 1 in the pool of risk-weighted assets as part of exposures weighted based on their credit risk as defined by NBG.

Country Risk

Country risk refers to potential losses that may be generated by an (economic, political, etc.) event that occurs in a specific country, where the event can be controlled by that country (government) but not by the lender/investor. Due to the business strategy of the Bank (serving companies of certain neighboring countries, i.e. Azerbaijan, Turkey) with trade finance and other services, the Bank is exposed to country risk. The Bank's ICAAP defines country risk, although historically it has not been sufficiently material to require additional capital.

Operational Risk

Operational risk is defined as the Bank's exposure to potential losses that may impact its profitability and capital position. Operational risk may derive from inadequate internal processes or systems, external events, inadequate employee performance or from a breach of, or non-compliance with, statutory provisions, contracts, and internal regulations. Operational risk includes legal risk but excludes reputational and strategic risk.

The objective of operational risk management is to find the extent of the Bank's operational risk exposure, understand its drivers, allocate capital, and identify trends internally and externally that would help in predicting it.

It is vital for the Bank to try to prevent fraud, maintain the integrity of internal control, and reduce errors in transactions. For this purpose, the Bank has implemented Fraud Risk Management Program (FRMP). The primary purpose of the Program is to develop corporate culture and to create an environment that inhibits the fraud.

Internal control is usually embedded in the Bank's day-to-day activities and is designed to ensure, to the extent possible, that the Bank's activities are efficient and effective, information is reliable, timely and complete, and the Bank is compliant with the applicable laws and regulations. Failure to understand and manage operational risk may increase the likelihood that some risks will go unrecognized and uncontrolled. The Bank conducts adequate operational risk assessment procedures before it launches any new product, activity, process or system, as well as before it outsources core banking- and IT system- related activities. Furthermore, the Bank mitigates operational risks by following strict rules for the assignment of duties and responsibilities among and within the functions, and a system of internal control and supervision. The Bank has in place Enterprise Risk Management Framework, Operational Risk Management Policy, Operational Risk Management Procedure, Operational Risk Assessment Methodology and Fraud Management Policy. The Bank uses tools for operational risk identification and assessment, such as Data Loss Collection, Audit Findings, Risk Control Self-assessment, Key Risk Indicators, etc., for timely identification and mitigation of risks. Capital requirement under ICAAP is calculated using the Basic Indicator Approach, which is also used for the calculation of Pillar 1 capital.

MARKET RISK

Foreign Currency Exchange Risk

The currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Bank has set internal limits on open-currency position and also follows regulatory limitations. Currency positions are monitored daily, the Bank calculates the capital requirement for FX positions based on historical and delta normal Value at Risk (VaR) method, using the 99% confidence level.

Interest Rate Risk

Interest rate risk means the risk of financial loss (damage) resulting from an adverse movement of interest rates.

The interest rate risk of the banking book is assessed monthly. The interest rate risk reports positions and gaps by repricing periods for each relevant currency.

BUSINESS RISK

Business risk is defined as the risk linked to a potential drop in profits or capital due to changes in the operating environment or erroneous corporate decisions, inadequate implementation of decisions, or poor reaction to changes in a competitive environment. The Bank considers strategic planning and budgeting processes as a crucial part of risk management. The Bank has developed detailed processes and budgeting regulations that ensure meticulous budgeting according to the business strategy of the Bank and describe the processes to regularly monitor and review the budget. For business risk, a regulatory capital requirement is not calculated. As the risk is defined to be material, the Bank calculates capital requirements to cover the risk under ICAAP. As the Bank has limited historical data to go by, a simplified methodology measuring deviations from the budget has been developed.

CREDIT CONCENTRATION RISK

Credit concentration risk arises when a significant portion of the Bank's exposures is concentrated within a small group of counterparties or a specific industry, where a shared underlying factor could lead to defaults, potentially jeopardizing the Bank's normal operations. To mitigate this risk, the Bank establishes limits on large exposures and specific sectors. The concentration of the Bank's portfolio is regularly assessed through the calculation of the Herfindahl-Hirschman Index (HHI) to monitor and control the degree of risk concentration. Additionally, the regulator mandates the creation of capital buffers to address concentration risk under Pillar 2.

LIQUIDITY RISK

Liquidity risk is defined as the risk of inability of the Bank to honor its financial obligations. Liquidity risk comprises both funding liquidity and asset liquidity risks:

- Funding liquidity risk appears with an inability to obtain new funding;
- Asset liquidity risk appears when the Bank is not able to sell its assets easily at market price without avoiding losses because of an illiquid market.

Measuring Liquidity Risk

The primary tools for measuring liquidity risk are the identification of liquidity positions and stress testing. Liquidity positions are identified and monitored on a monthly basis through standardized regulatory reporting packages, including the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR).

The Bank has an Internal Liquidity Adequacy Assessment Process (ILAAP) in place as a core component of its liquidity risk management framework. The ILAAP is designed to ensure that the Bank maintains adequate liquidity resources under both normal and stressed conditions. It includes a comprehensive Liquidity Gap analysis, an assessment of the Survival Horizon under stress scenarios, and monitoring of the Liquidity Coverage Ratio (LCR) over an extended 90-day horizon. These tools support the ongoing identification, measurement, and management of liquidity risk in line with the Bank's risk appetite and regulatory expectations.

Liquidity stress testing is a key tool in liquidity risk management and is performed within the frameworks of the ILAAP and the Recovery Plan, as well as on an ad hoc basis in the event of material changes in the risk environment. Stress tests assess the adequacy of the Bank's liquidity position and buffers under severe but plausible scenarios, while the Recovery Plan defines actions to support the rapid restoration of the liquidity position under adverse conditions.

Managing Liquidity Risk

The presence of liquidity risk in short-time intervals is considered to be more dangerous for the Bank's operations, because the shorter a term is, the less time the Bank has to make management decisions to adjust to the situation. The longer the time interval, the more controllable liquidity is considered to be, because the Bank has more time to take corrective measures. Therefore, limits on short-term cumulative liquidity gaps are usually more conservative than those on longer terms gaps.

The ever-changing financial markets have a direct impact on the availability of funding sources for the Bank. Therefore, even with constant monitoring of liquidity and funding sources, the Bank recognizes that unforeseen events (for example, changing economic or market conditions, deteriorating loan portfolio quality, or any other situation beyond the control of the Bank) may potentially lead to a short- or long-term crisis situation. The Bank assesses the potential liquidity risk and prepares a clear action plan for liquidity crises. To mitigate a funding liquidity risk, the Bank establishes a liquidity buffer, which may be used to meet payment obligations while continuing normal banking activities, without obtaining new funding. The Bank additionally ensures that its funding is diversified and that the maturity profile does not create significant gaps. The Bank has access to NBG refinancing facilities to maintain its liquidity in GEL. The Bank developed sound practices to manage liquidity risks, which are laid down in the Liquidity Management Policy and the Liquidity Management Procedure. Liquidity reports are regularly introduced to ALCO.

STRATEGIC RISK

Strategic risks arise from fundamental decisions that executives make concerning the Bank's objectives. Essentially, strategic risks are the risks of failing to achieve these business objectives. Strategic risks are managed by operating a proper internal governance system. In order to minimize potential losses due to strategic risks, the Bank established a framework for its internal governance system. Strategic risks are only managed via processes; no capital is allocated for the purpose.

REPUTATIONAL RISK

Reputational risk is the current or prospective indirect risk to earnings and capital arising from adverse perception of the image of the Bank on the part of customers, counterparties, shareholders, investors, regulators, and other stakeholders. It manifests when external opinions about the Bank are less favorable than desired. Reputational risk is managed by respective processes and organizational units of the Bank.

Reputational risk is only managed by processes; no capital is allocated for the purpose.

GROUP RISK

Group risk is defined as possible losses due to the fact that the Bank is operating as a member of a group, as a subsidiary company, or as a mother company. The Bank has no subsidiary, therefore, only the risk of operating as a member of a financial group needs to be assessed. The main assessment factor is to identify dependencies where a change in the level of parent company support might cause problems for the Bank. This assessment is based on expert judgment, and its results are manifested in areas where the risk is managed.

The Bank has identified two major sources of group risk, which are managed via proper processes defined by the parent company and negotiated with the Bank:

Group governance risk: the parent company operates a holding-level governance system, which ensures that the Bank receives methodological support from the mother company;

Own funds supply: planning of own funds and analysis of possible ways of capital increase are part of the budgeting process, including supply of own funds from the parent company. As the current risk is not material, no capital is allocated for the purpose.

MACROECONOMIC RISK

Macroeconomic risk is the current or prospective risk of loss on on-balance sheet and off-balance sheet positions arising from adverse movements in macroeconomic conditions, such as a fall in the GDP growth rates, decline in real estate prices, etc.

As macroeconomic risks are external risks that are beyond the Bank's control, the only tool for their management is stress tests-based capital and liquidity planning. The Bank performs macroeconomic risks-related stress tests based on internal macro projections and stress test model and also methodological guideline (the Guideline) communicated to the Bank by the regulator. For the purposes of internal capital assessment, the Bank applies transaction-level stress tests assessing the effect of FX, concentration and interest-induced credit risks. Enterprise-level macroeconomic stress testing is used for capital planning purposes.

REGULATORY RISK

Regulatory risk is defined as the risk stemming from a changing regulatory environment. It incorporates either an amendment of the existing or an enactment of a new national or international law/regulation.

In order to mitigate regulatory risk, the Bank permanently monitors not only the legislation but also prospective changes. A crucial point in the process is that respective departments, managers, and employees affected by the changing legislation are informed by the Legal and Compliance & AML Department. Senior management regularly receives executive summaries about recent regulatory modifications. The Bank makes sure that existing and even significant prospective (if they are likely to be enacted) regulations are reflected in its strategy. To prepare for significant legislative changes, the Bank applies several techniques: impact study, scenario analysis, action plans, or even modification of the business plan. The Bank conducts regular revision of its internal regulations and ensures that they are compatible with the external regulatory environment.

Regulatory risk is only managed by processes; no capital is allocated for the purpose.

RISK MITIGATION STRATEGY

Techniques to mitigate risk are largely dependent on the type of risk that needs to be reduced. Among others, the Bank uses the following types of mitigation techniques:

- Audits – regular audits from the Internal Audit department may identify problems such as accounting errors or security vulnerabilities before they become larger problems;
- Segregation of duties – responsibilities are strictly divided between the relevant positions;
- The Four-Eye Principle and the Principle of Prevention of Conflict of Interests – the Bank adheres to these principles at all levels of business processes;
- Backup – the Bank backs up business information in multiple secure physical locations;
- Business Continuity Plan – the Bank has developed a plan to continue with normal operations in the face of extraordinary events such as natural disasters or security incidents;
- Procedures – the Bank controls risk through internal procedures or actions that reduce the likelihood of undesirable events;
- Diversification – the process of allocating capital and resources in diverse areas to reduce risk and volatility;
- Due diligence – the process of investigation before committing to a contract or strategy. Basic due diligence, such as checking financial, environmental, corporate social responsibility, and management practices of a potential partner, is a basic step in risk management;

(Continued on the next page)

- Communication – regularly communicating risk factors to line managers serves to reduce it;
- Performance Management – setting risk reduction goals as part of performance management;
- Policies – policies designed to reduce the risk of misconduct;
- Standards – establishing standards to guide business practices and decision-making;
- Training – training for employees, designed to increase professionalism and skills.

RISK REPORTING

In order to ensure timely, quality, and informative decision-making process, the Bank's risk management function reports to the Risk Management Committee of the Supervisory Board on a monthly basis. The reports include loan portfolio report, corporate investment portfolio report, trading book report, related party transactions, off-balance sheet portfolio, collateral portfolio, non-performing loans and write-off report, credit concentrations, deposit portfolio report, FI exposures, liquidity and maturity analysis, market risk analysis, operational risk analysis, incident management, capital adequacy report, etc.

On a quarterly basis, the Risk Management Committee reports to the Supervisory Board on the Bank's risk management activities and the way the committee discharged its duties and responsibilities.

The risk management function reports to the Board of Directors on a regular basis. These reports include reviews of Credit Committee activities, internal loss database reports, etc.

STRESS TESTS AND SCENARIO ANALYSIS

Scenario analysis is an exercise that uses expert opinions of business and risk managers to identify plausible enterprise loss scenarios to estimate unexpected losses. Scenarios are a forward-looking assessment of the key risks or "potential future events" that attempt to derive a reasoned assessment of likelihood, in terms of frequency and severity of plausible losses.

Stress test framework aims to assess the impact of extraordinary but possible events on the capital or liquidity of the Bank. The Bank elaborated its ICAAP framework in a way that already contains a sensitivity analysis and scenario analysis to measure exposure to risks that are defined as relevant. The Bank performs macroeconomic risks-related stress tests based on a methodological guideline (the Guideline) communicated to the Bank by NBG. According to the Guideline, stress tests must be performed on the overall Bank level (enterprise-level stress) and transaction level (transaction-level stress). The transaction level tests assess the creditworthiness of the Bank's top borrowers in the case of changing external factors. The following risks are managed via stress testing on the enterprise risk level:

- Foreign exchange induced credit risk;
- Interest rate risk of the banking book;
- Foreign exchange rate risk;
- Concentration risk;
- Interest rate risk;
- Regulatory risk;
- Systematic risk.

Enterprise-level stress tests are used by the Bank in the course of its capital and liquidity planning by assessing the effect of various macroeconomic scenarios on the Bank's overall financial performance indicators, such as profitability, asset quality, funding base, and liquidity.

ANNEX: FINANCIAL DATA as at 31/12/2025

Senior management of the bank ensures fair presentation and accuracy of the information provided within Pillar 3 disclosure report. The report is prepared in accordance with internal review and control processes coordinated with the board. The report meets the requirements of the decree N92/04 of the Governor of the National Bank of Georgia on "Disclosure requirements for commercial banks within Pillar 3" and other relevant decrees and regulations of NBG.

The Financial Data presented on the pages : 33-56 is given as at 31/12/2025.

The given financial data is prepared on quarterly basis and may also be viewed in the separate form on the Bank's website at pashabank.ge , document «PILLAR 3 as per IV quarter»

The Financial Data disclosed on the pages 57-61 is given as at 31/12/2025.

It is prepared on annual basis.

Key metrics	According to IFRS				
	4Q-2025	3Q-2025	2Q-2025	1Q-2025	4Q-2024
Regulatory capital (amounts, GEL)					
Based on Basel III framework					
CET1 capital	120,008,533	117,400,529	116,349,646	114,576,079	115,092,464
Tier1 capital	133,484,033	117,400,529	116,349,646	114,576,079	115,092,464
Regulatory capital	161,784,059	148,551,729	147,671,046	146,400,029	147,370,664
CET1 capital total requirement	99,904,578	92,767,886	91,960,270	93,003,478	94,637,195
Tier1 capital total requirement	121,785,229	112,497,001	111,431,559	112,597,127	114,802,687
Regulatory capital total requirement	150,750,155	138,617,933	137,213,108	138,542,812	141,504,076
Total Risk Weighted Assets (amounts, GEL)					
Total Risk Weighted Assets (Total RWA) (Based on Basel III framework)	663,462,800	613,965,125	613,446,915	625,359,653	637,812,963
Capital Adequacy Ratios					
Based on Basel III framework					
CET1 capital	18.09%	19.12%	18.97%	18.32%	18.04%
Tier1 capital	20.12%	19.12%	18.97%	18.32%	18.04%
Regulatory capital	24.38%	24.20%	24.07%	23.41%	23.11%
CET1 capital total requirement	15.06%	15.11%	14.99%	14.87%	14.84%
Tier1 capital total requirement	18.36%	18.32%	18.16%	18.01%	18.00%
Regulatory capital total requirement	22.72%	22.58%	22.37%	22.15%	22.19%
Minimum requirement for own funds and eligible liabilities (MREL)					
Own funds and eligible liabilities as a percentage of Total Liabilities and Own Funds ((MREL Resource / TLOF)	0.00%	0.00%	0.00%	0.00%	0.00%
Income					
Total Interest Income /Average Annual Assets	8.05%	7.91%	7.77%	7.52%	8.45%
Total Interest Expense / Average Annual Assets	4.49%	4.35%	4.07%	3.97%	3.91%
Earnings from Operations / Average Annual Assets	8.24%	7.63%	7.08%	7.98%	10.43%
Net Interest Margin	3.56%	3.56%	3.70%	3.55%	4.53%
Return on Average Assets (ROAA)	0.37%	0.24%	0.13%	-0.53%	1.24%
Return on Average Equity (ROAE)	1.90%	1.25%	0.70%	-3.01%	6.27%
Asset Quality					
Non Performed Loans / Total Loans	6.64%	8.53%	8.26%	7.69%	5.61%
ECL/Total Loans	2.20%	3.14%	3.10%	2.85%	2.07%
FX Loans/Total Loans	68.75%	61.54%	57.60%	57.16%	55.12%
FX Assets/Total Assets	58.00%	50.58%	52.74%	56.61%	55.91%
Loan Growth-YTD	19.17%	3.35%	3.76%	9.67%	16.07%
Liquidity					
Liquid Assets/Total Assets	19.71%	17.91%	18.86%	12.22%	16.43%
FX Liabilities/Total Liabilities	51.75%	57.42%	58.09%	70.68%	72.16%
Current & Demand Deposits/Total Assets	12.76%	14.18%	17.22%	23.13%	14.87%
Liquidity Coverage Ratio***					
Total HQLA	204,256,224	184,076,299	174,812,887	224,546,182	227,775,251
Net cash outflow	126,810,871	139,724,965	138,848,413	184,337,200	175,405,863
LCR ratio (%)	161.07%	131.74%	125.90%	121.81%	129.86%
Net Stable Funding Ratio					
Available stable funding	428,942,261	416,365,639	391,474,580	402,681,590	412,250,716
Required stable funding	364,704,269	309,508,979	299,001,893	306,246,443	312,469,588
Net stable funding ratio (%)	117.61%	134.52%	130.93%	131.49%	131.93%

Table 1

*** LCR calculated according to NBC's methodology which is more focused on local risks than Basel framework. See the table 14. LCR; Commercial banks are required to comply with the limits by coefficients calculated according to NBC's methodology. The numbers calculated within Basel framework are given for illustrative purposes.

Table 2

Statement of Financial Position	reporting period			respective period of the previous year		
	GEL	FX	Total	GEL	FX	Total
ASSETS						
Cash, Cash balances with National Bank of Georgia and other banks	12,770,685	89,607,600	102,378,285	27,132,534	169,334,006	196,466,540
Cash on hand	285,431	2,096,300	2,381,731	505,138	2,451,680	2,956,819
Casha balances with National bank of Georgia	11,091,645	36,670,418	47,762,063	26,347,583	76,076,691	102,424,274
Cash balances with other banks	1,393,609	50,840,882	52,234,491	279,813	90,805,635	91,085,448
Financial assets held for trading	1,647,959	-	1,647,959	396,465	-	396,465
of which: derivatives	1,647,959	-	1,647,959	396,465	-	396,465
Non-trading financial assets mandatorily at fair value through profit or loss	-	-	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-
Equity instruments	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-
Financial assets at amortised cost	239,553,723	293,538,826	533,092,549	256,726,173	224,812,468	481,538,640
Debt securities	106,981,504	2,726,760	109,708,265	75,362,165	5,684,818	81,046,983
Loans and advances	132,572,218	290,812,066	423,384,284	181,364,007	219,127,650	400,491,657
Investments in subsidiaries, joint ventures and associates	-	-	-	-	-	-
Non-current assets and disposal groups classified as held for sale	-	-	-	-	-	-
Tangible assets	4,935,218	-	4,935,218	2,631,331	-	2,631,331
Property, Plant and Equipment	4,935,218	-	4,935,218	2,631,331	-	2,631,331
Investment property	-	-	-	-	-	-
Intangible assets	2,884,313	-	2,884,313	3,356,354	-	3,356,354
Goodwill	-	-	-	-	-	-
Other intangible assets	2,884,313	-	2,884,313	3,356,354	-	3,356,354
Tax assets	2,476,359	-	2,476,359	-	-	-
Current tax assets	-	-	-	-	-	-
Deferred tax assets	2,476,359	-	2,476,359	-	-	-
Other assets	13,598,740	648,937	14,247,677	20,977,662	570,906	21,548,568
of which: repossessed collateral	11,874,298	-	11,874,298	19,368,269	-	19,368,269
of which: dividends receivable	-	-	-	-	-	-
TOTAL ASSETS	277,866,999	383,795,363	661,662,362	311,220,519	394,717,379	705,937,898

Table 2 (Cont.)

Statement of Financial Position	reporting period			respective period of the previous year		
	GEL	FX	Total	GEL	FX	Total
LIABILITIES						
Financial liabilities held for trading	46,220	-	46,220	426,946	-	426,946
of which: derivatives	46,220	-	46,220	426,946	-	426,946
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-
Financial liabilities measured at amortised cost	244,981,064	230,801,866	475,782,930	157,423,621	386,318,959	543,742,580
Deposits	234,981,064	194,821,785	429,802,849	137,399,758	378,273,702	515,673,460
borrowings	10,000,000	31,961,804	41,961,804	20,023,863	7,290,333	27,314,196
Debt securities issued	-	-	-	-	-	-
Other financial liabilities	-	4,018,277	4,018,277	-	754,924	754,924
Provisions	58,619	385,965	444,584	272,391	260,698	533,089
Tax liabilities	-	-	-	-	-	-
Current tax liabilities	-	-	-	-	-	-
Deferred tax liabilities	-	-	-	-	-	-
Subordinated liabilities	-	32,381,000	32,381,000	-	33,530,510	33,530,510
Other liabilities	6,635,818	6,372,192	13,008,010	5,135,443	2,965,602	8,101,045
of which: dividends payable	-	-	-	-	-	-
TOTAL LIABILITIES	251,721,721	269,941,024	521,662,745	163,258,400	423,075,770	586,334,170
Equity						
Ordinary share	136,800,000	-	136,800,000	136,800,000	-	136,800,000
preference share	-	-	-	-	-	-
Share premium	-	-	-	-	-	-
(-) Treasury shares	-	-	-	-	-	-
Equity instruments issued other than capital	1,154,911	13,475,500	14,630,411	1,154,911	-	1,154,911
Equity component of compound financial instruments	1,154,911	-	1,154,911	1,154,911	-	1,154,911
Other equity instruments issued	-	13,475,500	13,475,500	-	-	-
Share-based payment reserve	-	-	-	-	-	-
Accumulated other comprehensive income	-	-	-	-	-	-
revaluation reserve	-	-	-	-	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-
Fair value changes of debt instruments measured at fair value through other comprehensive income	-	-	-	-	-	-
Retained earnings	(11,430,794)	-	(11,430,794)	(18,351,183)	-	(18,351,183)
TOTAL EQUITY*	126,524,116	13,475,500	139,999,616	119,603,728	-	119,603,728
TOTAL EQUITY AND TOTAL LIABILITIES	378,245,837	283,416,524	661,662,362	282,862,128	423,075,770	705,937,898

*Share capital as defined by the Law on Commercial Bank Activities

Statement of profit or loss	reporting period			respective period of the previous year		
	GEL	FX	Total	GEL	FX	Total
Interest income	29,542,841	22,978,748	52,521,588	28,091,997	21,494,099	49,586,095
Financial assets held for trading			-			-
Non-trading financial assets mandatorily at fair value through profit or loss			-			-
Financial assets designated at fair value through profit or loss			-			-
Financial assets at fair value through other comprehensive income			-			-
Financial assets at amortised cost	29,542,841	22,978,748	52,521,588	28,091,997	21,494,099	49,586,095
Other assets			-			-
(Interest expenses)	(17,382,252)	(11,925,371)	(29,307,623)	(12,323,402)	(10,654,027)	(22,977,428)
(Financial liabilities held for trading)			-			-
(Financial liabilities designated at fair value through profit or loss)			-			-
(Financial liabilities measured at amortised cost)	(17,382,252)	(11,925,371)	(29,307,623)	(12,323,402)	(10,654,027)	(22,977,428)
(Other liabilities)			-			-
Dividend income			-			-
Fee and commission income	687,911	1,858,289	2,546,200	1,207,027	1,550,140	2,757,167
(Fee and commission expenses)	(262,213)	(1,288,804)	(1,551,016)	(257,490)	(1,202,215)	(1,459,705)
Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net			-	33,252	-	33,252
Gains or (-) losses on financial assets and liabilities held for trading, net	1,632,219	-	1,632,219	104,404	-	104,404
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net			-			-
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net			-			-
Exchange differences [gain or (-) loss], net	11,733,133	-	11,733,133	11,956,991	-	11,956,991
Gains or (-) losses on derecognition of non-financial assets, net	303,863	-	303,863	(1,402,634)	-	(1,402,634)
Other operating income	971,265	-	971,265	1,248,552	214,102	1,462,654
(Other operating expenses)	(5,015,394)	(443)	(5,015,838)	(5,075,463)	-	(5,075,463)
(Administrative expenses)	(22,374,317)	-	(22,374,317)	(23,652,231)	-	(23,652,231)
(Staff expenses)	(20,864,685)		(20,864,685)	(21,737,352)		(21,737,352)
(Other administrative expenses)	(1,509,633)		(1,509,633)	(1,914,879)		(1,914,879)
(Depreciation and amortisation)	(3,857,920)		(3,857,920)	(4,601,517)		(4,601,517)
Modification gains or (-) losses, net			-			-
(Provisions or (-) reversal of provisions)	204,661	(125,267)	79,393	121,270	71,127	192,398
(Commitments and guarantees given)	(14,634)	(125,267)	(139,901)	(92,304)	71,127	(21,177)
(Other provisions)	219,294	-	219,294	213,575	-	213,575
(Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss)	(2,820,987)	(502,932)	(3,323,918)	32,219	334,616	366,836
(Financial assets at fair value through other comprehensive income)			-			-
(Financial assets at amortised cost)	(2,820,987)	(502,932)	(3,323,918)	32,219	334,616	366,836
(Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates)			-			-
(Impairment or (-) reversal of impairment on non-financial assets)			-			-
Share of the profit or (-) loss of investments in subsidiaries, joint ventures and associates accounted for using the equity method			-			-
PROFIT OR (-) LOSS BEFORE TAX	(6,637,191)	10,994,220	4,357,029	(4,517,024)	11,807,842	7,290,819
(Tax expense or (-) income)	1,944,641		1,944,641			-
Profit or (-) loss after tax	(8,581,831)	10,994,220	2,412,388	(4,517,024)	11,807,842	7,290,819

Table 4

Off-balance sheet items	reporting period			respective period of the previous year		
	GEL	FX	Total	GEL	FX	Total
Loan commitments received			-			-
Guarantees received as security for liabilities of the bank			-			-
Guarantees received as security for receivables of the bank	62,429,000	3,306,940,659	3,369,369,660	323,212,451	453,170,851	776,383,302
Surety, joint liability	43,010,004	3,293,050,213	3,336,060,217	301,493,454	436,762,911	738,256,365
Guarantees	19,418,996	13,890,446	33,309,443	21,718,996	16,407,940	38,126,937
Assets pledged as security for liabilities of the bank	-	-	-	-	-	-
Financial assets of the bank			-			-
Non-financial assets of the bank			-			-
Assets pledged as security for receivables of the bank	100,686,856	626,281,714	726,968,570	105,424,127	508,890,606	614,314,734
Cash	5,278,686	57,960,022	63,238,709	3,175,627	49,111,718	52,287,344
Precious metals and stones			-			-
Real Estate:	34,008,853	467,642,660	501,651,513	25,558,853	360,869,062	386,427,915
<i>Residential Property</i>	1	28,210,811	28,210,812	1	26,313,426	26,313,427
<i>Commercial Property</i>	167,892	284,622,702	284,790,594	167,892	248,747,631	248,915,523
<i>Complex Real Estate</i>	-	4,248	4,248	-	-	-
<i>Land Parcel</i>	40,961	94,532,775	94,573,735	40,961	62,137,385	62,178,345
<i>Other</i>	33,799,999	60,272,124	94,072,123	25,349,999	23,670,621	49,020,620
Movable Property	1,911,601	51,202,752	53,114,353	1,911,601	39,883,119	41,794,720
Shares Pledged	-	52	52	-	62	62
Securities	-	15,320,408	15,320,408	-	15,955,371	15,955,371
Other	59,487,716	34,155,821	93,643,537	74,778,047	43,071,274	117,849,321
Loan commitments given	312,261	21,866,040	22,178,301	3,802,916	24,000,038	27,802,954
guarantees given	26,478,790	36,373,914	62,852,703	25,180,058	30,543,077	55,723,134
Letters of credit Issued	-	180,228	180,228	-	263,754	263,754
Derivatives	124,079,299	136,949,806	261,029,105	53,435,437	183,812,877	237,248,313
Receivables through FX contracts (except options)	113,375,977	17,939,445	131,315,422	11,375,620	107,233,297	118,608,916
Payables through FX contracts (except options)	10,703,322	119,010,361	129,713,683	42,059,817	76,579,580	118,639,397
Principal of interest rate contracts (except options)			-			-
Options sold			-			-
Options purchased			-			-
Nominal value of potential receivables through other derivatives			-			-
Nominal value of potential payables through other derivatives			-			-
Receivables not recognized on-balance	15,944,446	22,596,334	38,540,780	16,185,384	24,700,649	40,886,032
Principal of receivables derecognized during last 3 month	-	1,964,294	1,964,294	52,875	-	52,875
Interest and penalty receivable not recognized on-balance or derecognized during last 3 month	-	-	-	317,720	(55,985)	261,734
Principal of receivables derecognized during 5 years month (including last 3 month)	33,516	9,174	42,690	574,405	-	574,405
Interest and penalty receivable not recognized on-balance or derecognized during last 5 years (including last 3 month)	15,910,929	22,587,161	38,498,090	15,610,979	24,700,649	40,311,628
Capital expenditure commitment			-			-

Table 5

Risk Weighted Assets	in Lari				
	4Q-2025	3Q-2025	2Q-2025	1Q-2025	4Q-2024
Risk Weighted Assets for Credit Risk	584,058,719	535,783,283	533,218,918	547,179,259	557,912,289
Balance sheet items	550,879,870	494,346,419	491,806,152	513,414,046	523,377,407
Including: amounts below the thresholds for deduction (subject to 250% risk weight)					
Off-balance sheet items	32,325,187	40,843,246	40,666,665	33,153,849	33,164,663
Counterparty credit risk	853,662	593,617	746,100	611,365	1,370,219
Risk Weighted Assets for Market Risk	1,616,943	730,860	2,777,016	729,412	2,449,693
Risk Weighted Assets for Operational Risk	77,787,139	77,450,981	77,450,981	77,450,981	77,450,981
Total Risk Weighted Assets	663,462,800	613,965,125	613,446,915	625,359,653	637,812,963

Information about supervisory board, directorate, beneficiary owners and shareholders

Table 6

Members of Supervisory Board	Independence status
Shahin Mammadov	Non-independent member
George Glonti	Independent member
Ebru Ogan Knottnerus	Independent member
Kamala Nuriyeva	Non-independent member
Rovshan Allahverdiyev	Non-independent chair

Members of Board of Directors	Position/Subordinated business units
Ramil Imamov	Acting Chairman of Board of Directors, CEO
Parvin Mammadov	Member of the Board of Directors, CFO
Levan Aladashvili	Member of the Board of Directors, Chief Risk Officer
Anzor Mantskava	Member of the Board of Directors, Chief Operating Officer

List of Shareholders owning 1% and more of issued capital, indicating Shares	
PASHA Bank OJSC	85.06%
Pasha Holding LLC	14.94%

List of bank beneficiaries indicating names of direct or indirect holders of 5% or more of shares	
Mr. Arif Pashayev	18.99%
Mrs. Arzu Aliyeva	35.21%
Mrs. Leyla Aliyeva	35.21%
Mr. Mir Jamal Pashayev	10.59%

Linkages between financial statement assets and balance sheet items subject to credit risk weighting

Table 7

Account name of standardized supervisory balance sheet item	a Carrying values as reported in published stand-alone financial statements per IFRS	b Carrying values of items	
		Not subject to capital requirements or subject to deduction from capital	Subject to credit risk weighting
Cash, Cash balances with National Bank of Georgia and other banks	102,378,285	-	102,378,285
Cash on hand	2,381,731		2,381,730.96
Cash balances with National bank of Georgia	47,762,063		47,762,062.69
Cash balances with other banks	52,234,491		52,234,490.96
Financial assets held for trading	1,647,959		1,647,959.48
of which: derivatives	1,647,959		1,647,959.48
Non-trading financial assets mandatorily at fair value through profit or loss			
Financial assets designated at fair value through profit or loss			
Financial assets at fair value through other comprehensive income	-	-	-
Equity instruments			
Debt securities			
Loans and advances			
Financial assets at amortised cost	533,092,549	-	533,092,549
Debt securities	109,708,265		109,708,265
Loans and advances	423,384,284		423,384,284
Investments in subsidiaries, joint ventures and associates			
Non-current assets and disposal groups classified as held for sale			
Tangible assets	4,935,218	-	4,935,218
Property, Plant and Equipment	4,935,218		4,935,218
Investment property			
Intangible assets	2,884,313	2,884,313	-
Goodwill			
Other intangible assets	2,884,313	2,884,313	-
Tax assets	2,476,359	2,476,359	-
Current tax assets			
Deferred tax assets	2,476,359	2,476,359	
Other assets	14,247,677		14,247,677
of which: repossessed collateral	11,874,298		11,874,298
of which: dividends receivable			
Total exposures subject to credit risk weighting before adjustments	661,662,362	5,360,672	656,301,689

Table 8

Differences between values per standardized balance sheet used for regulatory reporting purposes and the exposure amounts used for capital adequacy calculation purposes		in Lari
Total carrying value of balance sheet items subject to credit risk weighting before adjustments		656,301,689
Nominal values of off-balance sheet items subject to credit risk weighting		84,766,626
Nominal values of off-balance sheet items subject to counterparty credit risk weighting		-
Total values of on-balance and off-balance sheet items before any adjustments used for credit risk weighting purposes		741,068,315
Effect of provisioning rules used for capital adequacy purposes		
Effect of credit conversion factor of off-balance sheet items related to credit risk framework		(49,772,825)
Effect of credit conversion factor of off-balance sheet items related to counterparty credit risk framework (table CCR)		-
Effect of other adjustments		
Total exposures subject to credit risk weighting		691,295,490

Regulatory capital		in Lari
N		
1	Common Equity Tier 1 capital before regulatory adjustments	125,369,206
2	Common shares that comply with the criteria for Common Equity Tier 1	136,800,000
3	Stock surplus (share premium) of common share that meets the criteria of Common Equity Tier 1	
4	Accumulated other comprehensive income	
5	Other disclosed reserves	
6	Retained earnings (loss)	(11,430,794)
7	Regulatory Adjustments of Common Equity Tier 1 capital	5,360,672
8	Revaluation reserves on assets	
9	Accumulated unrealized revaluation gains on assets through profit and loss to the extent that they exceed accumulated unrealized revaluation losses through profit and loss	
10	Intangible assets	2,884,313
11	Shortfall of the stock of provisions to the provisions based on the Asset Classification	
12	Investments in own shares	
13	Reciprocal cross holdings in the capital of commercial banks, insurance entities and other financial institutions	
14	Cash flow hedge reserve	
15	Deferred tax assets not subject to the threshold deduction (net of related tax liability)	2,476,359
16	Significant investments in the common equity tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions that are outside the scope of regulatory consolidation	
17	Holdings of equity and other participations constituting more than 10% of the share capital of other commercial entities	
18	Other deductions	
19	Significant investments in the common shares of commercial banks, insurance entities and other financial institutions (amount above 10% limit)	
20	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	
22	The amount of significant Investments and Deferred Tax Assets which exceed 15% of common equity tier 1	
23	Regulatory adjustments applied to Common Equity Tier 1 resulting from shortfall of Tier 1 and Tier 2 capital to deduct investments	
24	Common Equity Tier 1	120,008,533
25	Additional tier 1 capital before regulatory adjustments	13,475,500
26	Instruments that comply with the criteria for Additional tier 1 capital	-
27	Including: instruments classified as equity under the relevant accounting standards	
28	Including: instruments classified as liabilities under the relevant accounting standards	
29	Stock surplus (share premium) that meet the criteria for Additional Tier 1 capital	13,475,500
30	Regulatory Adjustments of Additional Tier 1 capital	-
31	Investments in own Additional Tier 1 instruments	
32	Reciprocal cross-holdings in Additional Tier 1 instruments	
33	Significant investments in the Additional Tier 1 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	
34	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	
35	Regulatory adjustments applied to Additional Tier 1 resulting from shortfall of Tier 2 capital to deduct investments	
36	Additional Tier 1 Capital	13,475,500
37	Tier 2 capital before regulatory adjustments	28,300,026
38	Instruments that comply with the criteria for Tier 2 capital	28,300,026
39	Stock surplus (share premium) that meet the criteria for Tier 2 capital	
40	General reserves, limited to a maximum of 1.25% of the bank's credit risk-weighted exposures	
41	Regulatory Adjustments of Tier 2 Capital	-
42	Investments in own shares that meet the criteria for Tier 2 capital	
43	Reciprocal cross-holdings in Tier 2 capital	
44	Significant investments in the Tier 2 capital (that are not common shares) of commercial banks, insurance entities and other financial institutions	
45	Investments in the capital of commercial banks, insurance entities and other financial institutions where the bank does not own more than 10% of the issued share capital (amount above 10% limit)	
46	Tier 2 Capital	28,300,026

Table 9

Capital Adequacy Requirements		
	Ratios	Amounts (GEL)
Minimum Requirements		
Pillar 1 Requirements		
Minimum CET1 Requirement	4.50%	29,855,826
Minimum Tier 1 Requirement	6.00%	39,807,768
Minimum Regulatory Capital Requirement	8.00%	53,077,024
Combined Buffer		
Capital Conservation Buffer	2.50%	16,586,570
Countercyclical Buffer	0.50%	3,317,314
Systemic Risk Buffer		-
Pillar 2 Requirements		
CET1 Pillar 2 Requirement	7.56%	50,144,868
Tier 1 Pillar2 Requirement	9.36%	62,073,577
Regulatory capital Pillar 2 Requirement	11.72%	77,769,247
Total Requirements		
CET1	15.06%	99,904,578
Tier 1	18.36%	121,785,229
Total regulatory Capital	22.72%	150,750,155

Table 9.1

	MREL Resource
Own funds and eligible liabilities	161,784,059
Own funds ¹	161,784,059
Common Equity Tier 1 (CET 1)	120,008,533
Additional Tier 1 Capital (AT 1)	13,475,500
Tier 2 Capital (Tier 2)	28,300,026
Eligible liabilities	-
Subordinated Loans (not classified as own funds) ²	
Eligible liabilities ³	
Total Liabilities and Own Funds (TLOF)	161,784,059
Total liabilities (except capital instruments)	
Own funds	161,784,059
Total Risk Exposure Amount and Total Exposure Measure	
Total Risk Exposure Amount (TREA)	663,462,800
Total Exposure Measure (TEM)	695,079,748
MREL ratios	
Own funds and eligible liabilities as a percentage of TREA	24.38%
Own funds and eligible liabilities as a percentage of TEM	23.28%
Own funds and eligible liabilities as a percentage of TLOF	100.00%

Table 9.2

¹ Capital Instruments² Includes the part of the subordinated liabilities that is amortized as well as subordinated liabilities that are not classified as own funds.³ Includes eligible liabilities with a residual maturity of more than one year that are not classified as own funds. Additionally, contracts of these liabilities may be governed by Georgian law or fully or partially be subject to a law of a foreign country jurisdiction. Contracts of liabilities fully or partially governed by foreign legislation must include a provision for using the bank's liability write-off or conversion resolution tool for recapitalization (bail-in clause).

Table 9.3

	Residual Maturity				perpetual	Total
	< 1 year	>= 1 year & < 2 years	>= 2 years			
Own funds and eligible liabilities	-	-	-	-	-	-
of which: contracts governed by Georgian law	-	-	-	-	-	-
of which: contracts governed by foreign country law	-	-	-	-	-	-
of which: contracts that include bail-in clause	-	-	-	-	-	-
Own funds						
of which: contracts governed by Georgian law						
of which: contracts governed by foreign country law						
of which: contracts that include bail-in clause						
Eligible liabilities						
of which: contracts governed by Georgian law						
of which: contracts governed by foreign country law						
of which: contracts that include bail-in clause						

Table 10

Reconciliation of balance sheet to regulatory capital		Carrying values as reported in published stand-alone financial statements per IFRS		in Lari
N	On-balance sheet items per standardized regulatory report		linkage to capital table	
ASSETS				
	Cash, Cash balances with National Bank of Georgia and other banks	102,378,285		
1				
1.1	Cash on hand	2,381,731		
1.2	Casha balances with National bank of Georgia	47,762,063		
1.3	Cash balances with other banks	52,234,491		
2	Financial assets held for trading	1,647,959		
2.1	of which: derivatives	1,647,959		
3	Non-trading financial assets mandatorily at fair value through profit or loss			
4	Financial assets designated at fair value through profit or loss			
5	Financial assets at fair value through other comprehensive income	-		
5.1	Equity instruments			
5.2	Debt securities			
5.3	Loans and advances			
6	Financial assets at amortised cost	533,092,549		
6.1	Debt securities	109,708,265		
6.2	Loans and advances	423,384,284		
7	Investments in subsidiaries, joint ventures and associates			
8	Non-current assets and disposal groups classified as held for sale			
9	Tangible assets	4,935,218		
9.1	Property, Plant and Equipment	4,935,218		
9.2	Investment property	-		
10	Intangible assets	2,884,313	Table 9 (Capital), N10	
10.1	Goodwill			
10.2	Other intangible assets	2,884,313		
11	Tax assets	2,476,359	Table 9 (Capital), N15	
11.1	Current tax assets			
11.2	Deferred tax assets	2,476,359		
13	Other assets	14,247,677		
13.1	of which: repossessed collateral	11,874,298		
13.2	of which: dividends receivable			
14	TOTAL ASSETS	661,662,362		

Reconciliation of balance sheet to regulatory capital		Carrying values as reported in published stand-alone financial statements per IFRS		in Lari
N	On-balance sheet items per standardized regulatory report		linkage to capital table	
LIABILITIES				
15	Financial liabilities held for trading	46,220		
15.1	of which: derivatives	46,220		
16	Financial liabilities designated at fair value through profit or loss			
17	Financial liabilities measured at amortised cost	475,782,930		
17.1	Deposits	429,802,849		
17.2	borrowings	41,961,804		
17.3	Debt securities issued			
17.4	Other financial liabilities	4,018,277		
18	Provisions	444,584		
19	Tax liabilities	-		
19.1	Current tax liabilities			
19.2	Deferred tax liabilities			
20	Subordinated liabilities	32,381,000	Table 9 (Capital), N38	
21	Other liabilities	13,008,010		
21.1	of which: dividends payable			
22	TOTAL LIABILITIES	521,662,745		
Equity				
23	Share capital	136,800,000	Table 9 (Capital), N2	
24	preference share			
25	Share premium			
26	(-) Treasury shares			
27	Equity instruments issued other than capital	14,630,411		
27.1	Equity component of compound financial instruments	1,154,911		
27.2	Other equity instruments issued	13,475,500		
28	Share-based payment reserve			
29	Accumulated other comprehensive income	-		
29.1	revaluation reserve			
29.2	Fair value changes of equity instruments measured at fair value through other comprehensive income			
29.3	Fair value changes of debt instruments measured at fair value through other comprehensive income			
30	Retained earnings	(11,430,794)	Table 9 (Capital), N6	
31	TOTAL EQUITY	139,999,616		
32	TOTAL EQUITY AND TOTAL LIABILITIES	661,662,362		

Table 11

Credit Risk Weighted Exposures (On-balance items and off-balance items after credit conversion factor)																		
Exposure classes	Risk weights																	
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	
	0%		20%		35%		50%		75%		100%		150%		250%			Risk Weighted Exposures before Credit Risk Mitigation
	On-balance sheet amount	Off-balance sheet amount On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount													
Claims or contingent claims on central governments or central banks	16,561,045		-		-		-		-		36,670,418		-		-		-	36,670,418
Claims or contingent claims on regional governments or local authorities		-		-		-		-		-		-		-		-		-
Claims or contingent claims on public sector entities		-		-		-		-		-		-		-		-		-
Claims or contingent claims on multilateral development banks		-		-		-		-		-		-		-		-		-
Claims or contingent claims on international organizations/institutions		-		-		-		-		-		-		-		-		-
Claims or contingent claims on commercial banks		-	37,556,780		-		17,916,710		-		11,071,765	698,267	241,123		-			28,601,427
Claims or contingent claims on corporates		-			-				-		497,022,086	34,295,534			-			531,317,621
Retail claims or contingent retail claims		-			-				-					-				-
Claims or contingent claims secured by mortgages on residential property		-			-				-					-				-
Past due items		-			-				-		4,580,588		12,040,446					22,641,257
Items belonging to regulatory high-risk categories		-			-				-					-				-
Short-term claims on commercial banks and corporates		-			-				-					-				-
Claims in the form of collective investment undertakings ('CIU')		-			-				-					-				-
Other items	2,381,731				-				-		20,258,997							20,258,997
Total	18,942,776	-	37,556,780	-	-	-	17,916,710	-	-	-	569,603,854	34,993,801	12,281,569	-	-	-	-	639,489,720

Table 12

in Lari

Credit Risk Mitigation	Funded Credit Protection			Unfunded Credit Protection														
	On-balance sheet netting	Cash on deposit with, or cash assimilated instruments	Debt securities issued by central governments or central banks, regional governments or local authorities, public sector entities, multilateral development banks and international organizations/institutions	Debt securities issued by other entities, which securities have a credit assessment, which has been determined by NBG to be associated with credit quality step 3 or above under the rules for the risk weighting of exposures to corporates.	Debt securities with a short-term credit assessment, which has been determined by NBG to be associated with credit quality step 3 or above under the rules for the risk weighting of short term exposures	Equities or convertible bonds that are included in a main index	Standard gold bullion or equivalent	Debt securities without credit rating issued by commercial banks	Units in collective investment undertakings	Central governments or central banks	Regional governments or local authorities	Multilateral development banks	International organizations / institutions	Public sector entities	Commercial banks	Other corporate entities that have a credit assessment, which has been determined by NBG to be associated with credit quality step 2 or above under the rules for the risk weighting of exposures to corporates	Total Credit Risk Mitigation - On-balance sheet	Total Credit Risk Mitigation - Off-balance sheet

Claims or contingent claims on central governments or central banks																			-
Claims or contingent claims on regional governments or local authorities																			-
Claims or contingent claims on public sector entities																			-
Claims or contingent claims on multilateral development banks																			-
Claims or contingent claims on international organizations/institutions																			-
Claims or contingent claims on commercial banks																			-
Claims or contingent claims on corporates		56,284,663															53,616,050	2,668,614	56,284,663
Retail claims or contingent retail claims		-															-	-	-
Claims or contingent claims secured by mortgages on residential property																			-
Past due items		-															-	-	-
Items belonging to regulatory high-risk categories																			-
Short-term claims on commercial banks and corporates																			-
Claims in the form of collective investment undertakings																			-
Other items																			-
Total	-	56,284,663	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,616,050	2,668,614	56,284,663

Table 13

Standardized approach - Effect of credit risk mitigation							
Asset Classes	a	b		c	d	e	f
	On-balance sheet exposures	Off-balance sheet exposures		Off-balance sheet exposures post CCF	RWA before Credit Risk Mitigation	RWA post Credit Risk Mitigation	RWA Density f=e/(a+c)
		Off-balance sheet exposures - Nominal value					
Claims or contingent claims on central governments or central banks	53,231,463				36,670,418	36,670,418	69%
Claims or contingent claims on regional governments or local authorities	-				-	-	-
Claims or contingent claims on public sector entities	-				-	-	-
Claims or contingent claims on multilateral development banks	-				-	-	-
Claims or contingent claims on international organizations/institutions	-				-	-	-
Claims or contingent claims on commercial banks	66,786,378	1,396,533	698,267	28,601,427	28,601,427	42%	
Claims or contingent claims on corporates	497,022,086	83,370,093	34,295,534	531,317,621	475,032,957	89%	
Retail claims or contingent retail claims	-	-	-	-	-	-	-
Claims or contingent claims secured by mortgages on residential property	-	-	-	-	-	-	-
Past due items	16,621,034			22,641,257	22,641,257	136%	
Items belonging to regulatory high-risk categories	-			-	-	-	-
Short-term claims on commercial banks and corporates	-			-	-	-	-
Claims in the form of collective investment undertakings (CIU)	-			-	-	-	-
Other items	22,640,728			20,258,997	20,258,997	89%	
Total	656,301,689	84,766,626	34,993,801	639,489,720	583,205,057	84%	

Table 14

Liquidity Coverage Ratio										
		Total unweighted value (daily average)			Total weighted values according to NBG's methodology* (daily average)			Total weighted values according to Basel methodology (daily average)		
		GEL	FX	Total	GEL	FX	Total	GEL	FX	Total
High-quality liquid assets										
1	Total HQLA				106,543,047	97,713,177	204,256,224	57,845,433	33,775,217	91,620,650
Cash outflows										
2	Retail deposits	28,321,873	55,506,993	83,828,866	8,421,250	11,264,068	19,685,318	1,801,518	2,640,212	4,441,730
3	Unsecured wholesale funding	153,246,563	225,981,434	379,227,997	44,472,699	45,016,645	89,489,344	40,205,623	33,183,040	73,388,663
4	Secured wholesale funding	21,315,217	-	21,315,217	-	-	-	-	-	-
5	Outflows related to off-balance sheet obligations and net short position of derivative exposures	36,188,218	68,186,078	104,374,296	6,581,583	15,831,458	22,413,041	2,339,084	5,360,725	7,699,810
6	Other contractual funding obligations	-	-	-	-	-	-	-	-	-
7	Other contingent funding obligations	9,746,477	9,280,471	19,026,948	5,865,528	3,500,954	9,366,482	5,865,528	3,500,954	9,366,482
8	TOTAL CASH OUTFLOWS	248,818,348	358,954,976	607,773,324	65,341,059	75,613,126	140,954,185	50,211,753	44,684,932	94,896,685
Cash inflows										
9	Secured lending (eg reverse repos)	-	-	-	-	-	-	-	-	-
10	Inflows from fully performing exposures	180,131,128	287,514,570	467,645,697	9,805,311	3,561,487	13,366,797	60,464,673	72,951,748	133,416,421
11	Other cash inflows	31,359,201	5,149,191	36,508,392	547,351	229,166	776,518	547,351	229,166	776,518
12	TOTAL CASH INFLOWS	211,490,329	292,663,760	504,154,089	10,352,662	3,790,653	14,143,315	61,012,024	73,180,915	134,192,939
					Total value according to NBG's methodology* (with limits)			Total value according to Basel methodology (with limits)		
13	Total HQLA				106,543,047	97,713,177	204,256,224	57,845,433	33,775,217	91,620,650
14	Net cash outflow				54,988,397	71,822,473	126,810,871	12,552,938	11,171,233	23,724,171
15	Liquidity coverage ratio (%)				193.8%	136.0%	161.1%	460.8%	302.3%	386.2%

* Commercial banks are required to comply with the limits by coefficients calculated according to NBG's methodology. The numbers calculated within Basel framework are given for illustrative purposes.

Table 15

Counterparty credit risk weighted risk exposures															
Derivative contracts	Nominal Amount	Current Market Value (CMV)	Collateral Value	Replacement Cost (RC)	Potential Future Exposure (PFE)	Supervisory Alfa Factor (α)	Exposure at Default	2%	20%	35%	50%	75%	100%	150%	Counterparty Credit Risk Weighted Risk Exposures
	119,799,552	1,601,389	30,382,574	323,046	804,415		1,578,445	-	-	-	1,472,561	-	82,887	22,996	853,662
<i>Calculated under Standardised Method</i>	119,799,552	1,601,389	30,382,574	323,046	804,415	1.4	1,578,445	-	-	-	1,472,561	-	82,887	22,996	853,662
<i>Calculated under Simplified Standardised Method</i>	-	-	-	-	-	1.4	-	-	-	-	-	-	-	-	-
<i>Calculated under Original Risk Exposure Method</i>	-	-	-	-	-	1.4	-	-	-	-	-	-	-	-	-
Contracts with Qualified Central Counterparty						1.4	-								-
<i>Calculated under Standardised Method</i>						1.4	-								-
<i>Calculated under Simplified Standardised Method</i>						1.4	-								-
<i>Calculated under Original Risk Exposure Method</i>						1.4	-								-
Contracts with Central Counterparty						1.4	-								-
<i>Calculated under Standardised Method</i>						1.4	-								-
<i>Calculated under Simplified Standardised Method</i>						1.4	-								-
<i>Calculated under Original Risk Exposure Method</i>						1.4	-								-
Contract with Commercial Banks	83,850,250	323,046	-	323,046	729,210	1.4	1,473,158								759,575
<i>Calculated under Standardised Method</i>	83,850,250	323,046	-	323,046	729,210	1.4	1,473,158	-	-		1,450,161		-	22,996	759,575
<i>Calculated under Simplified Standardised Method</i>						1.4	-								-
<i>Calculated under Original Risk Exposure Method</i>						1.4	-								-
Contracts with Financial Institutions except for Banks	16,898,717	698,165	11,421,619	-	51,179	1.4	71,650								71,650
<i>Calculated under Standardised Method</i>	16,898,717	698,165	11,421,619	-	51,179	1.4	71,650	-	-		-		71,650	-	71,650
<i>Calculated under Simplified Standardised Method</i>						1.4	-								-
<i>Calculated under Original Risk Exposure Method</i>						1.4	-								-
Contracts with Corporate Clients	-	-	-	-	-	1.4	-								-
<i>Calculated under Standardised Method</i>	-	-	-	-	-	1.4	-	-	-		-		-	-	-
<i>Calculated under Simplified Standardised Method</i>						1.4	-								-
<i>Calculated under Original Risk Exposure Method</i>						1.4	-								-
Contracts with Natural Persons	19,050,586	580,178	18,960,955	-	24,027	1.4	33,637								22,437
<i>Calculated under Standardised Method</i>	19,050,586	580,178	18,960,955	-	24,027	1.4	33,637	-	-		22,400		11,237	-	22,437
<i>Calculated under Simplified Standardised Method</i>						1.4	-								-
<i>Calculated under Original Risk Exposure Method</i>						1.4	-								-
Total	119,799,552	1,601,389	30,382,574	323,046	804,415	1.4	1,578,445	-	-	-	1,472,561	-	82,887	22,996	853,662

Table 15.1 Leverage Ratio

On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	661,662,362
2	(Asset amounts deducted in determining Tier 1 capital)	(5,360,672)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	656,301,689
Derivative exposures		
4	Replacement cost associated with <i>all</i> derivatives transactions	323,046
5	Potential Future Exposure associated with <i>all</i> derivatives transactions	804,415
6	Risk positions defined by the Counterparty Credit Risk Regulation	1,578,445
7	Value of collateral received in exchange for derivative instruments	30,382,574
8	Total derivative exposures (sum of lines 4 to 10)	1,578,445
Securities financing transaction exposures		
9	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	
10	(Netted amounts of cash payables and cash receivables of gross SFT assets)	
11	Counterparty credit risk exposure for SFT assets	
12	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	
14	Agent transaction exposures	
14	(Exempted CCP leg of client-cleared SFT exposure)	
15	Total securities financing transaction exposures (sum of lines 12 to 15a)	-
Other off-balance sheet exposures		
16	Off-balance sheet exposures at gross notional amount	84,766,626
17	(Adjustments for conversion to credit equivalent amounts)	(47,567,012)
18	Other off-balance sheet exposures (sum of lines 17 to 18)	37,199,614
Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)		
19	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	
20	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	
Capital and total exposures		
21	Tier 1 capital	133,484,033
22	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	695,079,748
Leverage ratio		
23	Leverage ratio	19.20%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	

Table 15.2.

Counterparty credit risk weighted risk exposures -Credit Valuation Adjustment (CVA)

	Risk Exposure Discounted for Credit Valuation Adjustment	Credit Valuation Adjustment Expense	Written-off Credit Valuation Adjustment Expense	Counterparty Credit Risk Valuation Adjustment risk weighted Risk Exposures
Credit Valuation Adjustment	1,576,132	3,114	-	38,921
<i>Calculated under Standardised Method</i>	1,576,132	3,114	-	38,921
<i>Calculated under Simplified Standardised Method</i>				
<i>Calculated under Original Risk Exposure Method</i>				

Net Stable Funding Ratio					
	No maturity	Unweighted value by residual maturity			Weighted value
		< 6 month	6 month to <1yr	>= 1 yr	
Available stable funding					
Capital:	161,784,059	-	-	131,501,212	293,285,272
Regulatory capital	161,784,059			131,501,212	161,784,059
Other non-redeemable capital instruments and liabilities with remaining maturity more than 1 year					131,501,212
year	10,536,361	49,049,087	16,288,298	597,181	48,344,832
Residents' deposits	3,856,218	11,444,699	6,963,344	201,001	21,341,999
Non-residents' deposits	6,680,144	37,604,388	9,324,953	396,180	27,002,832
Wholesale funding	87,832,755	114,893,208	62,995,063	(0)	87,312,158
Redeemable funding or non-redeemable funding with residual maturity of less than one year, provided by the government or enterprises controlled by the government, international financial institutions and legal entities, excluding representatives of financial sector	64,629,422	46,999,830	32,462,192	(0)	72,045,722
Redeemable funding or non-redeemable funding with residual maturity of less than one year, provided by the central banks and other financial institutions	23,203,333	67,893,379	30,532,871	-	15,266,436
Liabilities with matching interdependent assets					
Other liabilities:	-	19,487,256	-	-	-
Liabilities related to derivatives		46,220			
All other liabilities and equity not included in the above categories		19,441,036			
Total available stable funding					428,942,261
Required stable funding					
Total high-quality liquid assets (HQLA)	99,527,447	85,330,600	-	-	6,735,713
Performing loans and securities:	2,844,725	75,398,349	74,866,758	280,812,132	316,818,819
Loans and deposits to financial institutions secured by Level 1 HQLA					
Loans and deposits to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	2,844,725	11,677,998	11,933,705	44,376,960	52,522,221
Loans to non-financial institutions and retail customers, of which:	-	61,628,324	62,219,685	215,976,920	245,504,387
With a risk weight of less than or equal to 35%					
Residential mortgages, of which:					
With a risk weight of less than or equal to 35%					
Securities that do not qualify as HQLA	-	2,092,026	713,368	20,458,252	18,792,211
Assets with matching interdependent liabilities					
Other assets:	4,935,218	17,374,634	576,337	17,282,308	32,016,992
Assets related to derivatives		1,647,959	-	-	1,647,959
All other assets not included in the above categories	4,935,218	15,726,674	576,337	17,282,308	30,369,033
Off-balance sheet items	-	22,065,151	27,448,396	35,230,985	9,132,745
Total required stable funding					364,704,269
Net stable funding ratio					117.61%

Table 16

*Items to be reported in the 'no maturity' time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, current/demand deposits, etc.

Risk classes	Distribution by residual maturity		Exposures of On-Balance Items				Total
	On demand	≤ 1 year	> 1 year ≤ 5 year	> 5 year	No stated maturity		
1 Claims or contingent claims on central governments or central banks	1,646,369	9,500,000	5,469,400		36,615,693	53,231,463	
2 Claims or contingent claims on regional governments or local authorities						-	
3 Claims or contingent claims on public sector entities						-	
4 Claims or contingent claims on multilateral development banks						-	
5 Claims or contingent claims on international organizations/institutions						-	
6 Claims or contingent claims on commercial banks	21,234,824	34,479,789	11,071,765			66,786,378	
7 Claims or contingent claims on corporates		78,972,881	228,957,752	205,394,350		513,324,983	
8 Retail claims or contingent retail claims		230,190	85,808	2,139		318,138	
9 Claims or contingent claims secured by mortgages on residential property						-	
10 Past due items*		2,697,048	959,985	12,964,323		16,621,357	
11 Items belonging to regulatory high-risk categories						-	
12 Short-term claims on commercial banks and corporates						-	
13 Claims in the form of collective investment undertakings ('CIU')						-	
14 Other items	2,381,731	18,975,337			1,283,660	22,640,728	
15 Total	25,262,924	142,158,198	245,584,725	205,396,489	37,899,353	656,301,689	

Table 17

Past due items* - Past due items will be filled in paragraph 10 and also will be redistributed to the classes in which they were recorded before they were classified as "Past due items". An overdue loan line is not included in the formula for eliminating double counting.

Risk classes	On Balance Assets		Gross carrying values			Expected Credit Loss	General Reserve	Accumulated write-off, during the reporting period	Net Value (a+b-c-d)
	a	b	c	d	e				
	Of which: Loans and other Assets - Non-Performing	Of which: Loans and other Assets - other than Non-Performing							
1 Claims or contingent claims on central governments or central banks		53,231,463						53,231,463	
2 Claims or contingent claims on regional governments or local authorities								-	
3 Claims or contingent claims on public sector entities								-	
4 Claims or contingent claims on multilateral development banks								-	
5 Claims or contingent claims on international organizations/institutions								-	
6 Claims or contingent claims on commercial banks		66,911,600	125,222					66,786,378	
7 Claims or contingent claims on corporates	28,941,746	494,995,665	10,294,290		1,964,294			513,643,121	
8 Retail claims or contingent retail claims								-	
9 Claims or contingent claims secured by mortgages on residential property								-	
10 Past due items*	20,402,994	-	3,781,960					16,621,034	
11 Items belonging to regulatory high-risk categories								-	
12 Short-term claims on commercial banks and corporates								-	
13 Claims in the form of collective investment undertakings ('CIU')								-	
14 Other items		28,001,400						28,001,400	
15 Total	28,941,746	643,140,128	10,419,513	-	1,964,294			661,662,362	
16 Of which: loans	28,763,436	401,120,869	9,498,280					420,386,025	
17 Of which: securities		93,802,285	635,185					93,167,100	

Table 18

Past due items* - Past due items will be filled in paragraph 10 and also will be redistributed to the classes in which they were recorded before they were classified as "Past due items". An overdue loan line is not included in the formula for eliminating double counting.

On Balance Assets Risk classes	a	b	c	d	e	f
	Gross carrying values		Expected Credit Loss	General Reserve	Accumulated write-off, during the reporting period	Net Value (a+b-c-d)
	Of which: Loans and other Assets - Non-Performing	Of which: Loans and other Assets - other than Non-Performing				
1 State, state organizations	-	53,631,899	853			53,631,047
2 Financial Institutions	176,571	173,884,863	864,723			173,196,711
3 Pawn-shops						-
4 Construction Development, Real Estate Development and other Land Loans	1,620,878	41,449,780	469,784		1,964,294	42,600,873
5 Real Estate Management	1,440,704	60,757,138	280,901			61,916,941
6 Construction Companies	200	7,015,168	47,371			6,967,997
7 Production and Trade of Construction Materials	622	28,098,173	337,633			27,761,163
8 Trade of Consumer Foods and Goods	1,039,405	21,047,630	261,684			21,825,350
9 Production of Consumer Foods and Goods	-	5,683,885	2,236			5,681,649
10 Production and Trade of Durable Goods	-	1,215,883	2,071			1,213,811
11 Production and Trade of Clothes, Shoes and Textiles	-	-	-			-
12 Trade (Other)	640	37,296,620	236,814			37,060,445
13 Other Production	438,228	-	42,718			395,510
14 Hotels, Tourism	2,379,961	6,060,446	436,432			8,003,975
15 Restaurants	9,580,212	15,091,252	1,699,792			22,971,672
16 Industry						-
17 Oil Importers, Filling stations, gas stations and Retailers	-	8,612,744	71,521			8,541,224
18 Energy	-	110,962,861	658,972			110,303,889
19 Auto Dealers						-
20 HealthCare	-	10,448,689	197,860			10,250,830
21 Pharmacy						-
22 Telecommunication	-	21,165,986	310,357			20,855,629
23 Service	1,936,751	9,057,481	266,153			10,728,079
24 Agriculture	10,326,732	3,136,653	4,230,738			9,232,647
25 Other	-	506,535	-			506,535
26 Assets on which the Sector of repayment source is not accounted for	842	15,042	900			14,984
27 Other assets		22,640,728				22,640,728
28 Total	28,941,746	637,779,455	10,419,513	-	1,964,294	656,301,689

Table 19

Changes in Expected Credit Loss for loans and Corporate debt securities		Loans	Corporate debt securities
1	Opening balance of Expected Credit Loss	11,784,926	260,340
2	An increase in the ECL for possible losses on assets	1,150,919	483,834
2.1	As a result of the origination of the new assets	981,443	480,554
2.2	As a result of classification of assets as a low quality	169,476	3,280
3	Decrease in ECL for possible losses on assets	3,418,731	108,940
3.1	As a result of write-off of assets	-	-
3.2	As a result of partial or total payment of assets	3,041,885	86,014
3.3	As a result of classification of assets as a high quality	376,846	22,926
4	Increase / Decrease ECL of foreign currency assets as a result of currency exchange rate changes	(7,828)	(49)
5	Closing balance of Expected Credit Loss	9,509,286	635,185

Table 20

Changes in the stock of non-performing loans over the period		Gross carrying value of Non-performing Loans	Net accumulated recoveries related to decrease of Non-performing loans
1	Opening balance	32,029,398	-
2	Inflows to non-performing portfolios	83,015	-
3	Increase of non-performing portfolio, as a result of currency exchange rate changes	-	-
4	Outflows from non-performing portfolios	3,348,978	-
5	Outflow due to the decrease level of credit risk	-	-
6	Outflow due to loan repayment, partial or total	3,325,596	-
7	Outflows due to write-offs	-	-
8	Outflow due to taking possession of collateral	-	-
9	Outflow due to sale of portfolios	-	-
10	Outflow due to other situations	-	-
11	Decrease of non-performing portfolio, as a result of currency exchange rate changes	23,382	-
12	Closing balance	28,763,436	-

Table 21

Table 22

Distribution of loans, Debt securities and Off-balance-sheet items according to Credit Risk Stages and Past due days	Total	1 st stage			2 nd stage			3 rd stage			POCI														
		Past due ≤ 30 days	Past due > 30 days ≤ 90 days	Past due > 90 days	Past due ≤ 30 days	Past due > 30 days ≤ 90 days	Past due > 90 days	Past due ≤ 30 days	Past due > 30 days ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 Year	Past due > 1 Year ≤ 2 Year	Past due > 2 Year ≤ 5 Year	Past due > 5 Years	Past due ≤ 30 days	Past due > 30 days ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 Year	Past due > 1 Year ≤ 2 Year	Past due > 2 Year ≤ 5 Year	Past due > 5 Years				
1 Loans	432,893,570	402,878,620	-	-	-	1,251,514	-	-	-	26,211,495	-	278	438,911	2,200,864	3,567,132	11,466,627	-	2,551,941	-	-	-	-	-	2,551,941	-
1.1 Central banks																									
1.2 General governments	400,437	400,437																							
1.3 Credit institutions	3,009,265	3,009,265																							
1.4 Other financial corporations	71,019,018	70,857,312	-	-	-	-	-	-	-	161,706	-	-	-	-	-	161,706	-	-	-	-	-	-	-	-	-
1.5 Non-financial corporations	350,287,337	322,403,285	-	-	-	1,251,508	-	-	-	24,080,604	-	-	438,228	2,080,097	3,553,227	9,472,604	-	2,551,941	-	-	-	-	-	2,551,941	-
1.6 Households	8,177,513	6,208,321	-	-	-	6	-	-	-	1,969,186	-	278	683	120,768	13,905	1,832,317	-	-	-	-	-	-	-	-	-
2 Debt Securities	110,457,118	110,457,118	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 Central banks																									
2.2 General governments	5,469,400	5,469,400																							
2.3 Credit institutions	11,185,433	11,185,433	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.4 Other financial corporations	36,044,531	36,044,531	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.5 Non-financial corporations	57,757,754	57,757,754	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.6 Households																									
3 Off-balance-sheet items	85,211,232	83,554,582				1,347,550				309,100															
3.1 Central banks																									
3.2 General governments																									
3.3 Credit institutions	1,400,000	1,400,000				-				-															
3.4 Other financial corporations	2,571,212	2,571,212				-				-															
3.5 Non-financial corporations	78,535,339	76,878,689				1,347,550				309,100															
3.6 Households	2,704,681	2,704,681				-				-															

Table 23

Loans Distributed according to LTV ratio, Expected Credit Loss, Value of collateral for loans and loans secured by guarantees according to Credit Risk stages and past due days		Total	1 st stage			2 nd stage			Gross carrying value of loans	3 rd stage			POCI													
			Past due ≤ 30 days	Past due > 30 days ≤ 90 days	Past due > 90 days	Past due ≤ 30 days	Past due > 30 days ≤ 90 days	Past due > 90 days		Past due ≤ 30 days	Past due > 30 days ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 Year	Past due > 1 Year ≤ 2 Year	Past due > 2 Year ≤ 5 Year	Past due > 5 Years	Past due ≤ 30 days	Past due > 30 days ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 Year	Past due > 1 Year ≤ 2 Year	Past due > 2 Year ≤ 5 Year	Past due > 5 Years			
1	Loans	429,884,306	399,869,355	-	-	-	9,120,690	-	-	6	18,342,320	-	278	438,911	2,200,864	3,567,132	11,466,627	1,236	2,551,941	-	-	-	-	-	2,551,941	-
1.1	Secured Loans	410,114,156	380,115,313	-	-	-	9,120,683	-	-	-	18,326,219	-	-	438,228	2,200,864	3,553,227	11,466,627	-	2,551,941	-	-	-	-	-	2,551,941	-
1.1.1	Loans Secured by Immovable property	282,970,774	253,133,637	-	-	-	9,120,683	-	-	-	18,164,513	-	-	438,228	2,200,864	3,553,227	11,304,921	-	2,551,941	-	-	-	-	-	2,551,941	-
1.1.1.1	LTV ≤70%	142,802,756	133,775,987	-	-	-	312,929	-	-	-	8,713,840	-	-	438,228	2,200,864	3,553,227	1,852,955	-	-	-	-	-	-	-	-	-
1.1.1.2	LTV >70% ≤85%	22,354,843	17,183,315	-	-	-	-	-	-	-	5,171,528	-	-	-	-	-	5,171,528	-	-	-	-	-	-	-	-	-
1.1.1.3	LTV >85% ≤100%	64,915,398	56,901,530	-	-	-	7,869,340	-	-	-	144,527	-	-	-	-	-	144,527	-	-	-	-	-	-	-	-	-
1.1.1.4	LTV >100%	53,239,022	45,606,607	-	-	-	941,129	-	-	-	4,139,346	-	-	-	-	-	4,139,346	-	2,551,941	-	-	-	-	-	2,551,941	-
1.2	Expected Credit Loss of Loans	9,214,117	2,274,538	-	-	-	196,315	-	-	-	5,574,329	-	-	42,718	218,199	317,149	1,862,450	-	1,168,935	-	-	-	-	-	1,168,935	-
1.3	Value of Pledged collateral																									
1.3.1	Of which value capped at the Loan value	260,348,550	233,365,755	-	-	-	8,769,797	-	-	-	15,910,794	-	-	427,184	2,181,988	3,171,491	9,473,585	-	2,302,203	-	-	-	-	-	2,302,203	-
1.3.1.1	Of which immovable property	252,265,325	225,282,533	-	-	-	8,769,797	-	-	-	15,910,794	-	-	427,184	2,181,988	3,171,491	9,473,585	-	2,302,201	-	-	-	-	-	2,302,201	-
1.3.2	Of which value above the cap	362,898,131	344,357,561	-	-	-	2,131,583	-	-	-	16,408,987	-	-	564,349	2,960,347	7,093,875	3,653,382	-	-	-	-	-	-	-	-	-
1.3.2.1	Of which immovable property	343,699,041	325,838,415	-	-	-	1,673,580	-	-	-	16,187,045	-	-	564,349	2,805,225	7,027,055	3,653,382	-	-	-	-	-	-	-	-	-
1.4	Loans secured by the state and state institutions																									
1.5	Loans secured by bank and /or financial institutions																									

Loans	Gross carrying value					Expected Credit Loss				
	Sector of repayment source	1 st stage	2 nd stage	3 rd stage	POCI	1 st stage	2 nd stage	3 rd stage	POCI	
1 State, state organizations	400,437	400,437	-	-	-	853	853	-	-	
2 Financial Institutions	71,105,262	70,928,691	-	176,571	-	503,298	329,191	-	174,108	
3 Pawn-shops	-	-	-	-	-	-	-	-	-	
4 Construction Development, Real Estate Development and other Land Loans	43,064,515	41,448,464	-	1,616,051	-	465,455	324,965	-	140,490	
5 Real Estate Management	62,196,376	60,443,333	312,929	1,440,114	-	280,418	123,450	13,396	143,572	
6 Construction Companies	6,979,030	6,979,030	-	-	-	47,371	47,371	-	-	
7 Production and Trade of Construction Materials	15,543,463	15,543,463	-	-	-	204,466	204,466	-	-	
8 Trade of Consumer Foods and Goods	4,712,737	3,673,332	-	1,039,405	-	161,347	59,770	-	101,577	
9 Production of Consumer Foods and Goods	5,683,885	5,683,885	-	-	-	2,236	2,236	-	-	
10 Production and Trade of Durable Goods	1,211,674	1,211,674	-	-	-	2,071	2,071	-	-	
11 Production and Trade of Clothes, Shoes and Textiles	-	-	-	-	-	-	-	-	-	
12 Trade (Other)	17,200,311	17,199,671	-	640	-	117,041	116,402	-	640	
13 Other Production	438,228	-	-	438,228	-	42,718	-	-	42,718	
14 Hotels, Tourism	8,405,881	5,121,867	938,580	2,345,435	-	405,472	5,227	182,919	217,326	
15 Restaurants	24,544,214	15,091,252	-	9,452,963	-	1,585,159	62,779	-	1,522,379	
16 Industry	-	-	-	-	-	-	-	-	-	
17 Oil Importers, Filling stations, gas stations and Retailers	8,612,744	8,612,744	-	-	-	71,521	71,521	-	-	
18 Energy	108,226,270	108,226,270	-	-	-	649,283	649,283	-	-	
19 Auto Dealers	-	-	-	-	-	-	-	-	-	
20 HealthCare	10,448,689	10,448,689	-	-	-	197,860	197,860	-	-	
21 Pharmacy	-	-	-	-	-	-	-	-	-	
22 Telecommunication	16,165,415	16,165,415	-	-	-	273,726	273,726	-	-	
23 Service	10,971,704	9,040,003	-	1,931,701	-	261,168	45,122	-	216,045	
24 Agriculture	13,458,384	3,136,653	-	7,769,791	2,551,941	4,226,146	28,698	-	3,028,513	
25 Other	499,447	499,447	-	-	-	-	-	-	-	
26 Assets on which the Sector of repayment source is not accounted for	15,638	15,035	6	596	-	672	397	0	274	
27 Total	429,884,305.53	399,869,355.01	1,251,514.40	26,211,495.49	2,551,940.63	9,498,280.46	2,545,386.05	196,314.81	5,587,644.12	

Table 24

Loans, corporate debt securities and Off-balance-sheet items	Gross carrying value (Nominal value for Offbalance) - distribution according to Collateral type								
	Secured by deposit	Secured by the state and state institutions	Secured by bank and /or financial institutions	Secured by gold / gold jewelry	Secured by Immovable property	Secured by shares / stocks and other securities	Secured by other collateral	Secured by another third party guarantee	Unsecured Amount
1 Loans	54,115,542	-	-	251,285,674	59,999,223	9,950,862	-	-	54,533,005
2 Corporate debt securities	-	-	-	3,044,562	18,730,360	-	-	-	72,027,363
3 Off-balance-sheet items	2,699,716	254	-	23,165,256	6,957,825	9,231,841	-	-	41,756,339
4 Of which: Non-Performing Loans	-	-	-	28,243,869	16	341,757	-	-	177,794
5 Of which: Non-Performing Corporate debt securities	-	-	-	-	-	-	-	-	-
6 Of which: Non-Performing Off-balance-sheet items	-	-	-	-	-	-	-	-	309,100

Table 25

Retail Products		Contractual Principal Amount				Gross carrying value of Loans				Expected Credit Loss				Number of Loans	Weighted average nominal interest rate on quarterly disbursed loans	Weighted average effective interest rate on quarterly disbursed loans	Weighted average nominal interest rate (on Residual Contractual value of Loans)	Weighted average remaining maturity (months) according to the Residual Contractual value of Loans
		1 st stage	2 nd stage	3 rd stage	POCI	1 st stage	2 nd stage	3 rd stage	POCI	1 st stage	2 nd stage	3 rd stage	POCI					
1	Auto loans													-				
2	Consumer Loans	587,510.31	573,014.42	-	14,495.89	599,025.06	584,159.86	-	14,865.20	13,769.68	1,368.01	-	12,401.68	26.00	0.12	0.14	0.10	10.77
3	Pay Day Loans													-				
4	Momental Installments													-				
5	Overdrafts	3,406.04	2,163.53	6.36	1,236.15	3,408.97	2,166.46	6.36	1,236.15	941.47	27.61	0.00	913.86	14.00	0.15	0.16	0.10	11.36
6	Credit Cards													-				
7	Mortgages													-				
7.1	Mortgages - Purchase of completed real estate													-				
7.2	Mortgages - Construction, the purchase of real estate under construction													-				
7.3	Mortgages - For Real Estate Renovation													-				
8	Retail Pawnshop loans													-				
9	Student loans													-				
10	Total Retail Products	590,916.35	575,177.95	6.36	15,732.04	602,434.03	586,326.32	6.36	16,101.35	14,711.16	1,395.61	0.00	13,315.54	40.00	0.13	0.14	0.10	11.16
10.1	Between them: Loans issued on the basis of income from a pension or other state social disbursement													-				

Table 26

Differences between accounting and regulatory scopes of consolidation			
a	b	c	d
Assets (as reported in published IFRS financial statements)	Carrying Values as reported in published IFRS financial statements	Carrying Values per IFRS under scope of regulatory consolidation (stand-alone)	Notes
Cash and cash equivalents	65,762,591	65,762,591	
Amounts due from credit institutions	39,613,952	39,613,952	
	423,046,498	420,386,025	Due to the change in stages (3->2) for one of the borrower groups in the audited FS
Loans to customers	109,708,265	109,708,265	
Investment securities	12,196,834	12,196,834	
Reposessed collateral	1,283,660	1,283,660	
Property and equipment	3,651,559	3,651,559	
Right of use assets	2,884,313	2,884,313	
Intangible assets			
	2,573,002	2,476,359	The deferred tax asset recognized in the audited financial statements differs slightly
Deferred tax assets			
Other assets	3,698,803	3,698,803	
Total assets	664,419,477	661,662,361	0
a	b	c	d
Liabilities (as reported in published IFRS financial statements)	Carrying Values as reported in published IFRS financial statements	Carrying Values per IFRS under scope of regulatory consolidation (stand-alone)	Notes
Amounts due to credit institutions	110,555,680	110,555,680	
Amounts due to customers	361,208,973	361,208,973	
Provisions	444,584	444,584	
Lease Liabilities	4,018,277	4,018,277	
Subordinated debt	32,381,000	32,381,000	
Other liabilities	13,054,229	13,054,229	
Total liabilities	521,662,743	521,662,743	0
a	b	c	d
Equity (as reported in published IFRS financial statements)	Carrying Values as reported in published IFRS financial statements	Carrying Values per IFRS under scope of regulatory consolidation (stand-alone)	Notes
Share capital	136,800,000.00	136,800,000	
Additional paid-in capital	1,154,911	1,154,911	
Perpetual subordinated loan	13,475,500	13,475,500	
Accumulated deficit	(8,673,678)	(11,430,794)	Due to the cumulative effect of the stage change and the recognition of the Deferred tax asset
Total equity	142,756,733	139,999,617	0

Consolidation by entities						
Name of Entity	Method of Accounting consolidation	Method of regulatory consolidation			Deducted	Description
		Full Consolidation	Proportional Consolidation	Neither consolidated nor deducted		
XXX	Full Consolidation				x	
XXX	Proportional Consolidation			x		
XXX	Not consolidated				x	

Table 22

Information about historical operational losses			
	2023	2024	2025
Total amount of losses	492,354	94,128	579,763
Total amount of losses, exceeding GEL 10,000	481,927	90,923	574,665
Number of events with losses exceeding GEL 10,000	7	3	4
Total amount of 5 biggest losses	455,321	93,224	575,758

Table 23

Operational risks - basic indicator approach	a	b	c	d	e
	2023	2024	2025	Average of sums of net interest and net non-interest income during last three years	Risk Weighted asset (RWA)
Net interest income	35,166,272.00	26,608,667.00	23,213,965.00		
Total Non-Interest Income	11,761,811.00	12,083,244.00	14,399,649.00		
less: income (loss) from selling property	10,685.00	(1,275,614.00)	39,113.00		
Total income (1+2-3)	46,917,398	39,967,525	37,574,501	41,486,475	77,787,140

Table 24

Remuneration awarded during the reporting period				
		Board of Directors	Supervisory Board	Other material risk takers
Fixed remuneration	Number of employees	4	3	14
	Total fixed remuneration (3+5+7)	1,914,861	329,632	2,213,108
	Of which cash-based	1,641,050	278,473	2,021,154
	Of which: deferred			
	Of which: shares or other share-linked instruments			
	Of which deferred			
	Of which other forms	273,811	51,159	191,954
Variable remuneration	Number of employees	7		19
	Total variable remuneration (11+13+15)	1,392,491	0	894,863
	Of which cash-based	1,392,491		894,863
	Of which: deferred	518,089		281,640
	Of which shares or other share-linked instruments			
	Of which deferred			
	Of which other forms			
	Of which deferred			
	Total remuneration	3,307,352	329,632	3,107,971

Table 25

Special payments				
		Board of Directors	Supervisory Board	Other material risk takers
Guaranteed bonuses	Number of employees			
	Total amount			
Sign-on awards	Number of employees			
	Total amount:	-	-	-
	Of which cash-based			
	Of which shares			
	Of which share-linked instruments			
Severance payments	Of which other instruments			
	Number of employees			
	Total amount:	-	-	-
	Of which cash-based			
	Of which shares			
	Of which share-linked instruments			
	Of which other instruments			

Table 26

	Total amount of outstanding deferred remuneration	Of which amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of reduction during the year due to ex post explicit adjustments	Total amount of reduction during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
Board of Directors	-	-	-	-	-
Cash					
Shares					
Share-linked instruments					
Other					
Supervisory Board	-	-	-	-	-
Cash					
Shares					
Share-linked instruments					
Other					
Other material risk takers	-	-	-	-	-
Cash					
Shares					
Share-linked instruments					
Other					
Total	-	-	-	-	-

Table 27

Shares owned by senior management																												
	a			b		c		d		e		f		g		h		i		j		k		l		m		
	Amount of shares at the beginning of the reporting period			Changes during the reporting period								Amount of shares at the end of the reporting period																
	Unvested		Vested	Awarded during the period		Reduction during the period		Other Changes		Unvested (a+d-f-g)		Vested (b+e+f-h+i-j)		Total(k+l)														
	Unvested	Vested	Total (a+b)	Of which: Unvested	Of which: Vested	Vesting	Unvested	Vested	Purchase	Sell	Unvested (a+d-f-g)	Vested (b+e+f-h+i-j)	Total(k+l)															
Senior management																												
	Total amount:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other material risk takers																												
	Total amount:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

MSME Customers based on Gender

MSME Business Customers	Units	
Number of women MSME customers [SME]	Number	76
Number of non-women MSME customers [SME]	Number	625
Number of women MSME customers [micro]	Number	
Number of non-women MSME customers [micro]	Number	
Number of women MSME customers [total]	Number	76
Number of non-women MSME customers [total]	Number	625
MSME Business Loan Applications and Loan Approvals	Units	
Number of women MSME loan applications [SME]	Number	
Number of non-women MSME loan applications [SME]	Number	
Number of women MSME loan applications [micro]	Number	
Number of non-women MSME loan applications [micro]	Number	
Number of women MSME loan applications [total]	Number	
Number of non-women MSME loan applications [total]	Number	
Value of women MSME loan applications [SME]	GEL	
Value of non-women MSME loan applications [SME]	GEL	
Value of women MSME loan applications [micro]	GEL	
Value of non-women MSME loan applications [micro]	GEL	
Value of women MSME loan applications [total]	GEL	
Value of non-women MSME loan applications [total]	GEL	
Number of women MSME loan approvals [SME]	Number	26
Number of non-women MSME loan approvals [SME]	Number	109
Number of women MSME loan approvals [micro]	Number	
Number of non-women MSME loan approvals [micro]	Number	
Number of women MSME loan approvals [total]	Number	26
Number of non-women MSME loan approvals [total]	Number	109
Value of women MSME loan approvals [SME]	GEL	43,526,322
Value of non-women MSME loan approvals [SME]	GEL	168,157,102
Value of women MSME loan approvals [micro]	GEL	
Value of non-women MSME loan approvals [micro]	GEL	
Value of women MSME loan approvals [total]	GEL	43,526,322
Value of non-women MSME loan approvals [total]	GEL	168157102.03
MSME Business Outstanding Loans	Units	
Number of women MSME outstanding loans [SME]	Number	36
Number of non-women MSME outstanding loans [SME]	Number	84
Number of women MSME outstanding loans [micro]	Number	
Number of non-women outstanding loans [micro]	Number	
Number of women MSME outstanding loans [total]	Number	36
Number of non-women outstanding loans [total]	Number	84
Value of women MSME outstanding loans [SME]	GEL	36,100,192
Value of non-women MSME outstanding loans [SME]	GEL	258,728,641
Value of women MSME outstanding loans [micro]	GEL	
Value of non-women MSME outstanding loans [micro]	GEL	
Value of women MSME outstanding loans [total]	GEL	32,446,373
Value of non-women MSME outstanding loans [total]	GEL	258,728,641

MSME Business Non-performing Loans	Units	
Percentage of women MSME outstanding non-performing loans [SME] (% of all women SME loans)	percent	4%
Percentage of non-women MSME outstanding non-performing loans [SME] (% of all non-women SME loans)	percent	5%
Percentage of women MSME outstanding non-performing loans [micro] (% of all women micro loans)	percent	
Percentage of non-women MSME outstanding non-performing loans [micro] (% of all non-women micro loans)	percent	
Percentage of women MSME outstanding non-performing loans [total] (% of all women business loans)	percent	5%
Percentage of non-women MSME outstanding non-performing loans [total] (% of all non-women business loans)	percent	5%
MSME Business Deposits	Units	
Number of women MSME depositors [SME]	Number	160
Number of non-women MSME depositors [SME]	Number	497
Number of women MSME depositors [micro]	Number	
Number of non-women MSME depositors [micro]	Number	
Number of women MSME depositors [total]	Number	160
Number of non-women MSME depositors [total]	Number	497
Value of women-led MSME deposits [SME]	GEL	13,347,434
Value of non-women-led MSME deposits [SME]	GEL	171,491,502
Value of women-led MSME deposits [micro]	GEL	
Value of non-women-led MSME deposits [micro]	GEL	
Value of women-led MSME deposits [total]	GEL	13,347,434
Value of non-women-led MSME deposits [total]	GEL	171,491,502

Encouraged indicators - დამატებითი ინდიკატორები

MSME New Business Lending	Units	
Number of women MSME new disbursed loans [SME]	Number	24
Number of non-women MSME new disbursed loans [SME]	Number	38
Number of women MSME new disbursed loans [micro]	Number	
Number of non-women new disbursed loans [micro]	Number	
Number of women MSME new disbursed loans [total]	Number	
Number of non-women new disbursed loans [total]	Number	
Value of women MSME new disbursed loans [SME]	GEL	32,057,134
Value of non-women MSME new disbursed loans [SME]	GEL	140,384,616
Value of women MSME new disbursed loans [micro]	GEL	
Value of non-women MSME new disbursed loans [micro]	GEL	
Value of women MSME new disbursed loans [total]	GEL	
Value of non-women MSME new disbursed loans [total]	GEL	

MSME Business lending conditions	Units	
Number of women MSME outstanding collateralized loans [SME]	Number	36
Number of non-women MSME outstanding collateralized loans [SME]	Number	82
Number of women MSME outstanding collateralized loans [micro]	Number	
Number of non-women MSME outstanding collateralized loans [micro]	Number	
Number of women MSME outstanding collateralized loans [total]	Number	36
Number of non-women MSME outstanding collateralized loans [total]	Number	82
Interest rate charged to women MSME [SME]	Percent	11%
Interest rate charged to non-women MSME [SME]	Percent	10%
Interest rate charged to women MSME [micro]	Percent	
Interest rate charged to non-women MSME [micro]	Percent	

Encouraged indicators - დამატებითი ინდიკატორები

MSME Loan maturity [short-term includes <12 month]	Units	
Number of women MSME outstanding short-term loans [SME]	Number	7
Number of non-women MSME outstanding short-term loans [SME]	Number	7
Number of women MSME outstanding short-term loans [micro]	Number	
Number of non-women MSME outstanding short-term loans [micro]	Number	
Number of women MSME outstanding short-term loans [total]	Number	
Number of non-women MSME outstanding short-term loans [total]	Number	
Value of women MSME outstanding short-term loans [SME]	GEL	4,925,562
Value of non-women MSME outstanding short-term loans [SME]	GEL	6,978,860
Value of women MSME outstanding short-term loans [micro]	GEL	
Value of non-women MSME outstanding short-term loans [micro]	GEL	
Value of women MSME outstanding short-term loans [total]	GEL	
Value of non-women MSME outstanding short-term loans [total]	GEL	
MSME Business Customer Loyalty	Units	
Number of women MSME financial products [SME]	Number	2.5
Number of non-women MSME financial products [SME]	Number	1.0208
Number of women MSME financial products [micro]	Number	
Number of non-women MSME financial products [micro]	Number	
Number of women MSME financial products [total]	Number	2.5
Number of non-women MSME financial products [total]	Number	1.0208

Number of financial products – the average number of financial products held by MSME clients.
 A financial product – any product or service offered by a financial organization to a customer.
 For example: current accounts, savings accounts, term deposits, investment accounts, credit cards, business loans, and others.